

2005 Legislative Report

A Summary and Status of Transportation- Related Legislation Passed During the 2005 Regular Session

May, 2005



**Washington State
Department of Transportation**

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I. Agency Request Legislation

SHB 1179: HOT Lanes Pilot Project. Chapter 312, Laws of 2005

Background: High Occupancy Vehicle (HOV) lanes are highway lanes reserved part-time or full-time for vehicles carrying a minimum number of occupants. The object of these lanes is to facilitate the operation of transit vehicles and other multi-occupant vehicles, allowing them to avoid congestion and providing those vehicles with improved travel times. There are currently over 200 miles of HOV lanes in operation in the central Puget Sound area. During certain periods, HOV lanes are operating below capacity while adjacent general purpose lanes are congested.

High Occupancy Toll (HOT) lanes are lanes that are open to carpools, vanpools, transit vehicles, and toll-paying single occupant vehicles. The goal for establishing these lanes is to provide a higher level of service for multi-occupant vehicles, while permitting single occupant vehicles to use surplus capacity in the lane by paying a toll. The HOT lanes have been employed in several corridors in California.

The Department of Transportation (DOT) has authority to designate HOV lanes on state highways. It does not, however, have the authority to designate HOT lanes and impose charges for the use of those lanes. The Transportation Commission as part of its evaluation of HOV lanes directed the DOT to evaluate the feasibility of converting a portion of the HOV lane system to HOT lanes. The DOT staff identified a portion of State Route 167 as the best candidate to implement a HOT lane pilot project.

Summary of Bill: The DOT is permitted to establish and operate a HOT lane pilot project along the nine miles of high occupancy vehicle lanes on State Route 167 within King County. Tolls on the project are to be established by the Transportation Commission and may vary in amount by time of day, level of traffic congestion, vehicle occupancy or other criteria. Special tolls may be provided for zero emission vehicles. During peak hours, the tolls must be adjusted to maintain HOT lane performance of at least 45 miles per hour for at least 90 percent of the time. The DOT is directed to mitigate impacts to HOV lane users and address safety issues. The DOT is to report annually to the Transportation Commission and the Legislature on the project impacts on operational efficiency, effectiveness for transit, sufficiency of financing through tolls, and impacts on all highway users and modal choices. Surveys are authorized to determine this information.

The conversion of an existing HOV lane to a HOT lane is declared a policy exception for this pilot project. Construction of the facilities to implement the toll project must begin within four years or the HOT lane pilot authority expires and the tolling authorization is limited to a period of four years. Violation of the restricted access portion of a HOV lane is a traffic infraction.

The HOT lanes operations account is created in the state treasury. Interest on the account accrues to the account. Money in the account may be used for financing the improvements, toll collections enforcement, and maintenance on the facility and carpools, vanpools, and transit services in the corridor. A reasonable proportion of the funds in the HOT lane account must be dedicated to increase transit, vanpool, carpool and trip reduction services.

The personally identifying information of persons using transponders to facilitate payment of tolls is exempted from the public disclosure but the information may be disclosed in aggregate by census tract. Law enforcement agencies may only access personally identifying information for toll enforcement purposes, except by court order.

Effective Date: July 24, 2005

**HB 1180: Vehicle length and width measurement exclusive devices
and specialized equipment.
Chapter 189, Laws of 2005**

Background: Vehicles considered to be "specialized equipment" include auto and boat carriers, certain cranes, concrete pumper trucks and various well drilling apparatus. Many of these vehicle classes are permitted on a class by class basis, and some are unable to operate due to incompatibilities with current law. The Federal Highway Administration (FHA) recently adopted a federal rule in the category of specialized equipment regarding a vehicle combination used for moving explosives. In order for this vehicle to operate in Washington, changes to current law would need to be made.

The FHA also revised its Federal National Safety Standard regarding external rearview mirrors used on vehicles engaged in interstate transport. Washington law, which does not allow mirrors to extend more than five inches from the side of the vehicle, is now out of compliance with the FHA rule. In addition, the federal list of devices excluded from vehicle length and width measurements is dynamic, doubling in the last five years, with further revisions nearing adoption. Each change places state law out of compliance.

Summary of Bill: The Department of Transportation is authorized to adopt rules regulating the size and weight of vehicles considered to be specialized equipment by the FHA, in the case of interstate travel, or the Department of Transportation, in the case of intrastate travel.

The partial list of safety and energy conservation devices that are excluded from the vehicle width and length requirements is repealed. Instead, the Department of Transportation is required to adopt rules identifying certain devices attached to vehicles for safety, energy conservation, or other necessary purposes. These devices are excluded from calculations of the vehicles length or width, provided that these devices are not designed or used to carry cargo.

External rearview mirrors are no longer limited to extending no more than five inches beyond the width limit of the vehicle. The mirrors may extend beyond the width limits of the vehicle to a point that allows conformance with the Federal National Safety Standard and state law.

Effective Date: July 24, 2005

**HB 1181: Allows WSDOT to establish heavy haul corridors.
Chapter 311, Laws of 2005**

Background: Vehicles in excess of the legal weight limits are prohibited from traveling on public highways of the state without an overweight permit. Legal weight limits are determined by a combination of three factors: tire size, axel weight, and a vehicle weight table (established in state law). The maximum legal gross vehicle weight under federal law is 80,000 pounds. However, Washington has grandfather rights to 105,500 pounds.

Under certain circumstances, the Washington State Department of Transportation (WSDOT) may issue a special overweight permit for a vehicle exceeding legal axle and/or gross weight limits. To qualify for an overweight permit, the hauler first must show that the load is non-divisible (meaning, cannot reasonably be dismantled or disassembled). If the load can be reduced, even if that would require the use of additional vehicles, no overweight permit can be issued.

For non-divisible loads, an overweight permit may be granted if the WSDOT determines that the structures and roads over which the load is to travel can sustain the weight without undue roadway stress.

Cities and counties also regulate the permissible weights of vehicles moving on their roadways. In most instances, the vehicle weight restrictions match state and federal law, although local permit fees for overweight loads may differ from state permit fees.

Public policy encourages the movement of heavy loads by water or rail. Most long-distance heavy loads are transported by rail, ship or barge. However, moving these heavy loads from one mode of travel (e.g., rail) to another mode of travel (e.g., ocean-going vessel or river barge) often requires a "trans-load"—a transfer of the load between the two primary modes of travel. This transload is often accomplished by heavy-haul trucks. Since these trucks sometimes exceed legal weights, special overweight permits would be required any time the trucks enter a public highway.

Several states have declared sealed, containerized cargo destined for ocean-going vessels as non-divisible. In Washington, there is no clear definition or declaration whether such sealed, ocean-going containers are divisible. If these containers are considered divisible, they would be prohibited from traveling overweight on public highways. If they are considered non-divisible, they would be eligible for issuance of a special overweight permit.

Summary of Bill: The WSDOT is authorized to enter into agreements with port districts to create and maintain heavy haul industrial corridors within port district property. At the request of a port district, heavy haul industrial corridors may be established for the purpose of issuing special permits for the transloading of sealed ocean-going containers over short distances.

Sealed ocean-going containers are declared non-divisible when transported within a heavy haul industrial corridor.

Special permits may be issued to vehicles operating within the corridor, provided the gross vehicle weight and/or axle weight limits are within the permitted weight limits as proscribed in state law.

The special permit fees for vehicles operating in the heavy haul industrial corridor are set at \$100 per month, or \$1,000 per year. After administrative costs are paid, proceeds from these fees must be deposited into the motor vehicle fund. The costs of these permits may not be passed on to for-hire truckers or rail shippers.

Effective Date: July 24, 2005

II. Accountability, Governance and Reform Legislation

ESHB 1064: Improving government performance and accountability. Chapter 358, Laws of 2005, PV

Background: Various state agencies and programs address government efficiency and accountability.

The Joint Legislative Audit and Review Committee (JLARC) employs the Legislative Auditor and conducts performance audits, program evaluations, sunset reviews, and other studies. The State Auditor audits public accounts in state agencies and local governments. In addition, the State Auditor may conduct performance audits or performance verifications if authorized to do so in the Budget Act or in JLARC's work plan.

Legislation was enacted in 1996 establishing a performance based budgeting system for state agencies. Agencies are expected to: (a) establish mission statements and set goals; (b) develop strategies to achieve goals; (c) set outcome based objectives; (d) provide continuous self-assessment of each program; (e) link budget proposals with their mission statements and goals; and (f) objectively determine the success in achieving goals. The Office of Financial Management (OFM) assists agencies in developing strategic plans.

The Productivity Board was established to administer the employee suggestion program and the teamwork incentive program. State agencies are authorized to make employee recognition awards.

Governor Locke issued Executive Order 97-03 in 1997. The executive order directed all agencies to develop and implement programs to improve the quality, efficiency, and effectiveness of its public services using quality improvement, business process redesign, employee involvement, and other quality improvement techniques.

Summary of Bill: **Citizen Oversight Board**

A Citizen Oversight Board (Board) is created to improve efficiency, effectiveness, and accountability in state government. The Board consists of seven members as follows: the State Auditor and the JLARC chair, who are non-voting members, four citizen members selected by the Governor from a list submitted by each major caucus in the Senate and the House of Representatives, and a citizen member selected by the Governor. Appointed members serve staggered terms and must have an understanding of state government operations and knowledge and expertise in performance management, quality management, strategic planning, performance assessments, or closely related fields. The State Auditor shall provide staff support to the Board.

Assessment and Performance Grading

The Board must establish and conduct an assessment and performance grading program of all state agencies on a phased-in schedule. Areas to be assessed include quality management, productivity and fiscal efficiency, program effectiveness, contract management and oversight, internal audit, internal and external customer satisfaction, statutory and regulatory compliance, and technology systems and on-line services. The results of the assessment and grading program will be submitted to the Governor, the appropriate legislative committees, and the public by December 15 of each year. Results will be posted on the internet.

Performance Audits

The Board and the State Auditor shall collaborate with the JLARC regarding performance audits of state government. The Board must establish performance audit criteria consistent with criteria and standards followed by the JLARC. Using these criteria, the State Auditor shall contract for a statewide performance review as a preliminary step to preparing a draft performance audit plan. The purpose of the reviews is to identify agencies, programs, functions, or activities most likely to benefit from performance audits, and to identify likely areas warranting early review. The Board and the State Auditor must develop the draft work plan on performance audits based on input from citizens, state employees, including frontline employees, state managers, chairs and ranking members of appropriate legislative committees, the JLARC, public officials, and others. Before adopting a final work plan, the Board and the State Auditor must consult with the Legislative Auditor to coordinate work plans and avoid audit duplication.

The State Auditor must contract out for the performance audits. Consideration shall be given to reports prepared by other government oversight entities. The performance audits may include:

- Identification of programs and services that can be eliminated, reduced, consolidated, or enhanced.
- Analysis of gaps and overlaps in programs and services and recommendations to correct gaps or overlaps.
- Analysis of, and recommendations about, the roles and functions of the state agency, its programs, and its services and their compliance with statutory authority.
- Identification of potential cost savings in the state agency, its programs, and its services.
- Identification and recognition of best practices.

For institutions of higher education, performance audits must not duplicate existing audit records, accreditation reviews, and performance measures required by the Office of Financial Management, the Higher Education Coordinating Board, and nationally or regionally recognized accreditation organizations.

The State Auditor must solicit comments on preliminary performance audit reports and the comments must be incorporated into the final performance audit report. Audit objectives, scope, and methodology, audit results, conclusions, and identification of best practices shall be contained in the final report. The State Auditor and the Board shall jointly release the audit reports to the Governor, the citizens of Washington, the JLARC, and the appropriate standing legislative committees. Final performance audit reports will be posted on the internet.

The State Auditor is authorized to contract for and oversee performance audits. If the legislative authority of a local jurisdiction requests a performance audit of programs under its jurisdiction, the state auditor has the discretion to conduct the review under separate contract and funded by local funds.

The Office of the Administrator for the Courts is encouraged to conduct performance audits of courts in conformity with criteria and methods developed by the Board.

By June 30, 2007, and every four years following, JLARC must contract out for a performance audit of the performance audit program and the Board's responsibilities under the performance audit program.

The Legislature is directed to appropriate funds necessary for performance reviews, performance audits, and the activities of the board. The Board and the state auditor must submit recommended budgets for their responsibilities and the State Auditor shall prepare a consolidated budget request in the form of request legislation.

Effective Date: July 24, 2005

**2SHB 1970: Improving government management, accountability,
and performance (GMAP).
Chapter 384, Laws of 2005**

Background: A number of programs have been instituted to improve government efficiency and accountability.

Legislation was enacted in 1996 establishing a performance based budgeting system for state agencies. Agencies are expected to: (a) establish mission statements and set goals; (b) develop strategies to achieve goals; (c) set outcome based objectives; (d) provide continuous self-assessment of each program; (e) link budget proposals with their mission statements and goals; and (f) objectively determine the success in achieving goals.

The Governor issued Executive Order 97-03 in 1997 requiring all state agencies to develop and implement programs to improve the quality, efficiency, and effectiveness of public services they provide using quality improvement, business process redesign, employee involvement, and other quality improvement techniques.

Executive Order 05-02 was recently issued instituting a government management, accountability and performance system (GMAP). Under GMAP, agencies are required to:

- develop clear, relevant and easy-to-understand performance measures;
- demonstrate how programs contribute to the priorities important to citizens;
- gather, monitor, and analyze program data;
- evaluate program effectiveness;
- hold regular problem-solving sessions;
- allocate resources based on strategies that work; and
- make regular reports on performance to the Governor.

Summary of Bill: State agencies are required to develop and implement a quality management, accountability, and performance system. Managers and staff at all levels, including front-line employees, must be involved and training must be provided.

Agencies shall ensure that its system:

- uses strategic business planning for the purpose of establishing goals, objectives, and activities consistent with the priorities of government;
- engages stakeholders and customers in establishing service requirements and improve service delivery systems;
- includes clear, relevant and understandable measures for each activity;

- gathers, monitors and analyzes activity data;
- uses data to evaluate program effectiveness;
- establishes performance goals and expectations for employees that reflect the agency's objectives;
- uses activity measures to report progress in reaching agency objectives;
- holds regular problem-solving sessions to develop and implement plans for addressing gaps; and
- allocates resources based on strategies to improve performance.

Agencies are required to report quarterly to the Governor, and the Governor must report performance of state agency programs annually to the citizens of the state. The Governor's report must include progress made toward the priorities of government and improvements in agency management systems, fiscal efficiency, process efficiency, asset management, personnel management, statutory and regulatory compliance, and management of technology systems.

Agencies are directed to integrate all quality management, accountability, and performance systems undertaken through executive order or other authority.

Beginning no later than 2008, agencies must apply at least once every three years to the Washington state quality award, or similar organization, for an independent assessment of its quality management, accountability, and performance system.

For purposes of the bill, "state agency" includes a state agency, department, office, officer, board, commission, bureau, division, institution, or institution of higher education, and all offices of executive branch state government-elected officials. State agency does not include the Agricultural Commission established under Title 15.RCW.

Effective Date: July 24, 2005

SSB 5513: Restructuring certain transportation agencies. Chapter 319, Laws of 2005, PV

Background: Under current law, the Washington Transportation Commission oversees the Washington State Department of Transportation (WSDOT) and appoints the Secretary of Transportation. The Secretary may only be removed for cause. The Commission is composed of seven voting members, appointed by the Governor with the consent of the Senate, and the Secretary who sits as a nonvoting member. The seven appointed members serve for six year terms, may not include more than four members from the same political party, and must include four members from Western Washington and three members from Eastern Washington. In addition to overseeing the WSDOT, the Commission has numerous other statutory duties, including statewide transportation planning, bonds issuance, serving as the state's tolling authority and setting ferry fares, and sharing responsibility for project selection and funding.

The Legislative Transportation Committee (LTC) is a statutory legislative agency established to, among other things, conduct studies of designated transportation issues and to make recommendations to the full Legislature regarding statewide transportation policy. The LTC is composed of twelve senators and twelve representatives, with not more than six members from each house representing the same political party.

The Transportation Performance Audit Board (TPAB) was established in 2003 to primarily provide oversight and accountability of transportation-related agencies through the use of directed agency reviews, and functional and performance audits. The TPAB is composed of four legislators, five citizen members with specified transportation-related expertise appointed by the Governor, an at large member appointed by

the Governor, and the legislative auditor as an ex officio member. The TPAB may conduct agency performance and outcome measurement reviews, and must recommend to the LTC's executive committee whether a full performance or functional agency audit is appropriate. If a performance audit is requested by the LTC, the Joint Legislative Audit and Review Committee (JLARC) must add the audit to its biennial audit work plan. The legislative auditor must, to the greatest extent possible, hire private consultants to conduct the performance audits.

Summary of Bill: The Secretary of Transportation is appointed by the Governor, with the advice and consent of the Senate, and serves at the pleasure of the Governor. The Secretary assumes authority previously directed to the Washington Transportation Commission to propose the WSDOT agency budget and to authorize departmental request legislation.

The Washington Transportation Commission retains certain authority, including statewide transportation planning, bonds issuance, serving as the state's tolling authority and setting ferry fares, and sharing responsibility for project selection and funding. Additionally, the Commission receives an expanded role as a public forum for transportation policy development.

The Joint Transportation Committee (JTC) is established to review and research transportation programs and issues. The chairs and ranking minority members of the House and Senate transportation committees serve as the JTC executive committee, and the chairs of those committees serve as co-chairs of the JTC. The other members of the transportation committees are eligible to be appointed by the JTC executive committee on a study-by-study basis.

The LTC is dissolved. The LTC staff support of TPAB is removed and replaced with staff support provided by the Washington Transportation Commission; however, the Commission must designate, subject to TPAB approval, a staff person to serve as the TPAB administrator. The TPAB has separate authority to direct performance audits. The TPAB administrator must, to the greatest extent possible and subject to available funds, hire private consultants to conduct the performance audits. However, the TPAB may contract with the legislative auditor to serve as the contract manager of the reviews and performance audits. The TPAB's authority regarding directed agency reviews, and functional and performance audits, is expanded to include certain local transportation entities.

The TPAB membership is adjusted by reducing from five to three the number of citizen members with transportation-related expertise, adding two citizen members with performance measurement expertise, and adding one member of the Transportation Commission.

Effective Date: July 1, 2005; Sec. 103 – July 1, 2006

III. Budget, Fiscal and Revenue Legislation

SB 6091: Transportation Budget Request. Chapter 313, Laws of 2005, PV

Background: The operating and capital expenses of state transportation agencies and programs are funded on a biennial basis by an omnibus transportation budget adopted by the Legislature in odd-numbered years. Additionally, supplemental budgets may be adopted during the biennium making various modifications to agency appropriations.

Summary of Bill: Appropriations are made for state transportation agencies and programs for the 2005-07 fiscal biennium. Additionally, appropriations for various transportation agencies and programs are modified for the 2003-05 biennium.

(See Bill Ford's attached handout for details.)

Effective Date: May 9, 2005

ESSB 6103: Providing funding and funding options for transportation projects. Chapter 314, Laws of 2005

Background: The biennial transportation budget is supported by fuel tax revenues as well as various license, permit and fee revenues. To support the current, proposed biennial spending plan, additional revenue is required.

Summary of Bill: Fuel Taxes. The state fuel tax is raised 3 cents July 1, 2005, 3 cents July 1, 2006, 2 cents July 1, 2007, and 1.5 cents July 1, 2008 for a total increase over four years of 9.5 cents.

Weight Fees. A weight fee is levied on vehicles that do not currently pay a weight fee to account for their impact on roadways. Affected vehicles include passenger vehicles, sport utility vehicles, light trucks and motor homes. Annual vehicle weight fees for passenger vehicles are set at \$10 for vehicles up to 4,000 pounds, \$20 for vehicles between 4,000 and 6,000 pounds, and \$30 dollars for vehicles weighing between 6,000 and 8,000 pounds. Light trucks used for farm purposes are exempted from the weight fee. Motor homes are charged an annual flat fee of \$75.

Licenses and Permits. Certain Department of Licensing fees are adjusted to recover the cost of issuing various licenses and permits. Revenues that currently subsidize those costs are reallocated in the new expenditure package.

License fees on small, personal use trailers are lowered from \$30 to \$15 annually.

A new class of more flexible farm trip permit is also created.

Effective Date: July 1, 2005, with exceptions.

ESHB 2311: Authorizing bonds for transportation funding.

Chapter 315, Laws of 2005

Background: Bonds have been issued in the past to fund transportation projects that have a long term expected life span. The bonds must be authorized by the Legislature and the proceeds from the sale of the bonds must be appropriated for transportation projects.

Summary of Bill: Authorization is provided for the sale of \$5.1 billion of general obligation bonds for transportation improvements. The bonds are backed by the motor fuel tax and the full faith and credit of the state.

Effective Date: July 1, 2005

SSB 5139: Modifying highway and bridge tolling authority.

Delivered to the Governor

Background: Toll bridges and roads have been an important component of Washington State's transportation history. In 1937 the Washington Toll Bridge Authority was created by the Legislature with the full powers to finance, construct, and operate toll bridges. The legislation led to two initial toll financed projects: the Tacoma Narrows Bridge in Tacoma and the Lacey V. Murrow Memorial Bridge in Seattle, both of which opened to traffic in July 1940.

Between 1940 and 1965 thirteen state bridges were built or repaired by using tolls as the debt service payment for construction bonds. The Tacoma Narrows Bridge will be the next tolled facility in the state. An initial toll of \$3 will be collected when the new span opens in 2007. Toll rates will be set by the Washington State Transportation Commission in amounts sufficient to repay \$800 million in bond proceeds. It is also anticipated that several other bridge reconstructions may be financed by tolls. Those facilities may include the State Route 520, Evergreen Point Floating Bridge (Rosellini Bridge), and the I-5 Columbia River Crossing among others.

The majority of toll facilities were constructed between the years of 1950 and 1965. With the exception of the current effort at Tacoma Narrows, the emergency reconstruction of the Hood Canal Bridge has been the sole toll facility constructed in the forty years since 1965. All the previously authorized toll bonds, including the emergency Hood Canal Bridge bonds, have been repaid and the tolls removed. Several of the bond authorizations stipulate that the bridges shall remain toll free after the date that the bonds have been fully paid and redeemed.

State law also contains legislative authorization for other toll roads and bridges that have not been undertaken and are not currently included in the State Transportation Plan. Examples of these authorizations include a limited access express highway from Tacoma to Everett and toll bridge from Lopez to San Juan Island.

The State Transportation Commission has broad authority to establish and construct toll facilities. Their authority is limited to those toll facilities that are specifically authorized by the Legislature, regional transportation investment district, city, town or county.

Summary of Bill: Statutory language relating to the approval of toll roads is clarified to indicate that new tolls and tolled facilities must be specifically authorized by the legislature and that the State Transportation Commission, as the state toll authority, imposes tolls and authorizes construction of toll roads.

Statutory provisions that relate to bond authorizations and other provisions on toll facilities that have been completed are repealed. Also repealed are authorizations for projects that have not been undertaken by the State Transportation Commission and where there is no current plan for those projects.

Effective Date: July 24, 2005

**SSB 5775: Providing funds for the maintenance and preservation
of small city and town streets.
Chapter 83, Laws of 2005**

Background: The 1999-2001 biennial transportation budget provided five million dollars to fund a grant program for small city pavement preservation through the Department of Transportation's Local Program. Competitive grants were made available to cities or towns with a population of two thousand five hundred or less who agreed to adopt a pavement management system. Grants made under the program averaged fifty to seventy thousand dollars per project and were exhausted by 2003.

Summary of Bill: The Small City Preservation and Sidewalk Account is created in the State Treasury. State funds appropriated from the account must be used for small city pavement or sidewalk projects selected by the Transportation Improvement Board. Eligibility for funds is restricted to cities and towns with both a population of less than five thousand and, depending on the project, a pavement management system or proposed sidewalk improvement that meets certain criteria. The account will retain its own interest income. The bill contains a null and void clause if funding is not provided by June 30, 2005.

Effective Date: July 1, 2005, with exceptions.

**SSB 5969: Modifying city and town use of state fuel tax distributions.
Chapter 89, Laws of 2005**

Background: RCW 46.68.110 governs the allocation of the 10.9691 percent of statewide fuel tax revenues distributed to cities and towns.

Sub-section two of the statute requires .33 percent be deducted for use by the Department of Transportation (DOT) for the purpose of funding the cities' share of costs associated with highway jurisdiction and other studies.

Sub-section four of the statute mandates that 31.86 percent of the funds distributed to cities and towns be used for certain purposes depending on the size of the city or town. For cities and towns with a population of fifteen thousand or more, these funds can only be used for the construction, improvement, chip sealing, seal coating and repair of arterial highways and city streets. For cities and towns with a population of less than fifteen thousand, the funds can only be used for the maintenance of arterial highways and city streets.

Summary of Bill: Sub-section four of the bill removes the restrictions on the uses of funds for cities and towns regardless of size as measured by population. However, as fuel tax revenue, the funds remain restricted to highway purposes as set forth in the 18th amendment to the Washington State Constitution.

Effective Date: July 24, 2005

**HB 2085: Regarding the cleanup of waste tires.
 Chapter 354, Laws of 2005**

Background: A \$1 fee was assessed on the retail sale of each new vehicle replacement tire sold from October 1989 until September 1995. The fee was collected by the tire seller, who was entitled to retain 10 percent of all fees collected. Revenue generated by the fee was used to fund state and local efforts to remove discarded tires from unauthorized dump sites, to fund local enforcement, to fund local pilot projects for on-site tire shredding, to implement a public education program, to produce marketing studies on tire recycling, and to fund a tire study. In 2002, the Legislature enacted a requirement that the Department of Ecology (DOE) track and report the annual and cumulative increases and decreases in the state's tire recycling rates.

Individuals who engage in the business of transporting or storing waste tires are required to be licensed by the DOE. To obtain a license, the business must assure the DOE that it is in compliance with the law and post a bond of \$10,000. A violation of licensing requirements is punishable as a gross misdemeanor.

Summary of Bill: The \$1 tire fee on new tires is reinstated beginning July 1, 2005. Tire retailers may retain 10 percent of the fee and must remit the remainder to the Department of Revenue. Regarding collection of the \$1 fee, specific duties, liabilities, and penalties for sellers and buyers are described.

The Waste Tire Removal Account is created in the state treasury. It is an appropriated account and moneys may be used for the cleanup of unauthorized waste tire piles and measures to prevent future accumulation of unauthorized waste tire piles.

An appropriation of up to \$150,000 is made to the Office of Financial Management for oversight of a detailed study to identify and collect information on tire cleanup sites in the state. The DOE is directed to conduct the study, which is to be delivered to the Legislature by November 15, 2005.

The study must include at least the following elements:

- identification of existing tire cleanup sites in the State of Washington;
- the estimated number of tires in each tire cleanup site;
- a map identifying the location of each one of the tire cleanup sites;
- a photograph of each one of the tire cleanup sites;
- the estimated cost for cleanup of each tire site by cost component;
- the estimated reimbursement of costs to be recovered from persons or entities that created or have responsibility for the tire cleanup site;
- identification of the type of reimbursements for recovery by each of the tire cleanup sites;
- the estimated time frame to begin the cleanup project and the estimated completion date for each tire cleanup site;
- an assessment of local government functions relating to unauthorized tire piles, including cleanup, enforcement, and public health;
- identification of local government needs for each one of the counties; and

- a statewide cleanup plan based on multiple funding options between 20 cents and 60 cents for each new tire sold at retail in the state starting on July 1, 2005. The plan shall include the estimated time frame to begin each of the tire cleanup sites and the estimated completion date for each one of the sites. In addition, the plan must include a process to be followed in selecting entities to perform the tire site cleanups. The 2006 Legislature shall determine the final distribution of the tire cleanup fee and the appropriations for this statewide tire cleanup plan.

The DOE is directed to begin a pilot project for the clean up of a tire pile in Goldendale, Washington.

Some changes are made to the requirements for obtaining a license from the DOE to transport or store waste tires. A business must accept liability for and authorize the DOE to recover any costs incurred in any cleanup of waste tires transported or stored. The amount of the bond that must be posted by licensed businesses will be determined by the DOE in an amount sufficient to cover the liability for cost of cleanup of waste tires. However, the current bond amount of \$10,000 is maintained until January 1, 2006. Licensees must also be registered in the State of Washington as a business, have a federal identification number and report annually to the amount of tires transported and their disposition. Failure to report will result in loss of license.

Persons who transport or store waste tires without a license will be liable for the costs of cleanup of any waste tires transported or stored. Once waste tires are legally transferred to a permitted recycler, the transferring business has no further liability relative to the transferred tires.

Effective Date: July 1, 2005.

IV. Transportation Planning and Regional Legislation

SHB 1541: Transportation innovative partnerships. Chapter 317, Laws of 2005

Background: The current public-private initiatives law (RCW 47.46) does not provide for any additional projects. Out of six projects originally identified by the Department of Transportation for development, the only project that has been undertaken is the Tacoma Narrows Bridge project.

After a development agreement between the Department of Transportation and the private developer had been signed, the Legislature analyzed the cost savings that could result from state financing, and subsequently amended the law to provide for state financing.

Summary of Bill: The Transportation Innovative Partnerships Act is created to enable the Washington State Department of Transportation (WSDOT) to enter into partnerships with private entities for the development of transportation facilities. Projects eligible for development include road and highway facilities, structures, operations, properties, vehicles, vessels, etc., representing any mode of travel (except for recreational purposes). Projects that are not transportation facilities, but that carry out public purposes or provide financing streams to a transportation project, are also eligible for development.

The Transportation Commission is directed to conduct a statewide tolling feasibility study to determine which state highways and facilities are viable candidates for development as a public-private partnership. The results of the study must be presented to the Legislature by January 15, 2006.

After conducting the feasibility study, the WSDOT may solicit proposals or may survey their existing transportation project lists and plans to determine if any are suitable for development as a public-private partnership. Beginning January 1, 2007, the WSDOT may also accept unsolicited proposals. If an unsolicited proposal is received, the WSDOT must publish notice of the proposal and provide 90 days to allow competing proposals to be submitted.

The Transportation Commission must enact rules for the proper acceptance, review, evaluation and selection of projects. Once a project has been identified for development, the WSDOT may enter into negotiations on an agreement. Some terms of the agreement are proscribed, such as the payment of prevailing wages on the public works, and provisions for bonding and the payment of workers and subcontractors. Other terms are required to be negotiated, such as ownership of the asset to be developed, maintenance responsibilities, liability for the project, etc.

Financing may be considered for all or part of a proposal, subject to certain conditions. For projects owned, leased, used or operated by the state as a public facility, any bonded indebtedness must be issued by the state treasurer. For other public projects that are not transportation projects, financing must be approved by the state finance committee or, in the case of federal tax exempt financing, by the public benefit corporation as specified in federal law. For projects that are not public projects or public facilities, any lawful source of financing may be used.

Sources of repayment may include user fees, tolls, fares, lease proceeds, gross or net receipts from sales, proceeds from development rights, franchise fees, or any other lawful form of consideration. Federal, state and local fund sources (such as grants, loans, or tax revenues) may also be used for project financing.

A public involvement plan must be submitted and approved as part of any agreement. All public meetings, workshops, open houses, hearings, etc., must be administered and attended by representatives of the public sector partner, and may not be contracted out to the private developer. For projects that cost in excess of \$300 million, a citizen advisory committee must be established for the purpose of reviewing, monitoring and advising on development of the project and operations and maintenance of the project after construction is complete.

After a tentative development agreement has been reached, the Transportation Commission must publish the proposed contract for 20 days, followed by a hearing to receive public comment. After receiving public comment and approving a public involvement plan, the Transportation Commission may execute the contract.

The Transportation Innovative Partnership Account (Account) is created in the state treasury, as a depository for bond proceeds and any revenues generated from the transportation project. Funds in the Account must be spent on the specific public-private project, and may not be diverted to other transportation projects.

The WSDOT is directed to study alternative contracting and project management authorities to seek out best practices as used by other states and the private sector. As part of the study, the WSDOT must consider procedures for negotiating contracts in situations of a single qualified bidder, in either solicited or unsolicited proposals. Finally, WSDOT must also analyze methods of encouraging competition in the development of transportation projects. A report must be submitted to the Governor and Legislature for consideration in the 2006 legislative session.

The WSDOT is authorized to enter into agreements with private entities for the imposition of late-coming fees, to help apportion the cost of infrastructure improvements among the beneficiaries of those improvements.

Effective Date: July 24, 2005

2SHB 1565: Multimodal concurrency strategies. Chapter 328, Laws of 2005

Background: Enacted in 1990 and 1991, the Growth Management Act (GMA) establishes a comprehensive land use planning framework for county and city governments in Washington. The GMA specifies numerous provisions for jurisdictions fully planning under the Act (planning jurisdictions) and establishes a reduced number of compliance requirements for all local governments.

The Department of Community, Trade, and Economic Development is charged with providing technical and financial assistance to jurisdictions implementing the GMA.

Comprehensive Plan Elements

Among numerous requirements, planning jurisdictions must adopt internally consistent comprehensive land use plans, which are generalized, coordinated land use policy statements of the governing body. Comprehensive plans must satisfy requirements for specified "elements," including land use and transportation elements, each of which is a planning subset of a comprehensive plan. Planning jurisdictions must also adopt development regulations that are consistent with and implement the comprehensive plan.

Transportation Element/Concurrency

The transportation element of a comprehensive plan must include sub-elements that address, in part, transportation mandates for forecasting, finance, coordination, and facilities and services needs. A provision of the sub-element for facilities and services needs requires planning jurisdictions to adopt level of service (LOS) standards for all locally owned arterials and transit routes. The facilities and services needs sub-element must include specific actions and requirements for bringing into compliance locally owned transportation facilities or services failing to meet an established LOS.

Planning jurisdictions must adopt and enforce ordinances prohibiting development approval if the development causes the LOS on a locally owned transportation facility to decline below standards adopted in the transportation element. Exemptions to this prohibition may be made if improvements or strategies to accommodate development impacts are made concurrent with the development. These strategies may include:

- increased public transportation service;
- ride sharing programs;
- demand management; and
- other transportation systems management strategies.

"Concurrent with the development" means improvements or strategies that are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years.

Buildable Lands Program

The GMA requires six western Washington counties (i.e., Clark, King, Kitsap, Pierce, Snohomish, and Thurston counties) and the cities within those counties to establish a review and evaluation "buildable lands" program. The purpose of the program is to determine whether a county and its cities are achieving urban densities, and identify reasonable measures, subject to statutory provisions, that will be taken to comply with requirements of the GMA.

Regional Transportation Planning Organizations

Legislation enacted in 1990 authorized the creation of regional transportation planning organizations (RTPOs). The RTPOs are formed through the voluntary association of local governments within a county or within geographically contiguous counties, as provided by law. The RTPOs have duties prescribed in statute, including preparing and updating regional transportation strategies, and certifying that transportation elements required by the GMA reflect guidelines and principles adopted to provide direction for the development and evaluation of these elements.

The RTPOs must also prepare and update a regional transportation plan (plan) that is consistent with certain provisions of the GMA. The plan must be developed in cooperation with the Department of Transportation, the agency that owns and manages the state's highway system. The plan must also be developed in cooperation with transportation providers, local governments, and other specified entities. In addition to satisfying other requirements, the plan must:

- be based upon a least cost planning methodology;
- identify existing or planned transportation facilities, services and programs;
- establish regional LOS standards for qualifying highways and ferry routes;
- include a financial plan; and
- assess regional development patterns and capital investments.

The plan must also set forth a proposed regional transportation approach, including capital investments, service improvements, programs, and transportation demand management measures to guide the development of an integrated, multimodal regional transportation system.

All transportation projects, programs, and demand management measures within the region must be consistent with the plan and adopted regional growth and transportation strategies.

Summary of Bill:

Growth Management Act

The transportation element of a comprehensive plan may include, in addition to improvements or strategies to accommodate the impacts of development authorized under specified provisions of the Growth Management Act (GMA), multimodal transportation improvements or strategies that are made concurrent with the development. These improvements or strategies may include, but are not limited to, measures implementing or evaluating:

- multiple modes of transportation with peak and nonpeak hour capacity performance standards for locally owned transportation facilities; and
- modal performance standards meeting the peak and nonpeak hour capacity performance standards.

Nothing within specified provisions of the GMA or the bill may be construed as prohibiting a county or city that is fully planning under the GMA from exercising its authority to develop multimodal improvements or strategies to satisfy the concurrency requirements of the GMA. Similarly, nothing within a specified provision of the bill is intended to effect or otherwise modify the authority of jurisdictions fully planning under the GMA.

Regional Transportation Planning Organizations

New requirements for regional transportation plans (plans) adopted by regional transportation planning organizations (RTPOs) are set forth. The proposed regional transportation approach of the plan must, for regional growth centers, address transportation concurrency strategies required by the GMA and include a measurement of vehicle level of service for off-peak periods and total multimodal capacity for peak periods.

Multimodal Concurrency Study

The Department of Transportation (DOT) must administer a study to examine multimodal transportation improvements and strategies to comply with concurrency requirements of the GMA, subject to the availability of amounts appropriated for this specific purpose. The study must be completed by one or more RTPOs electing to participate in the study. The Department of Community, Trade, and Economic Development must provide technical assistance with the study.

The DOT must, in consultation with members from each of the two largest caucuses of the Senate, and members from each of the two largest caucuses of the House of Representatives, approve the scope of the study.

The study must satisfy specific criteria, including:

- an assessment and comprehensive summary of studies or reports examining concurrency requirements and practices in Washington;
- an examination of existing or proposed multimodal transportation improvements or strategies employed by a city in a county with a population of one million or more residents;
- recommendations for statutory and administrative rule changes that will further the promotion of effective multimodal transportation improvements and strategies that are consistent with provisions of the GMA; and
- recommendations for improving the coordination of concurrency practices in jurisdictions subject to the buildable lands requirements of the GMA.

The DOT must, in coordination with participating RTPOs, submit a report of findings and recommendations to the appropriate committees of the Legislature by December 31, 2006.

Effective Date: July 24, 2005

ESB 5110: Including four public port districts on the executive board of regional transportation planning organizations. Chapter 334, Laws of 2005

Background: Under current law, regional transportation planning organizations (RTPOs) are voluntary associations of local governments established for transportation planning purposes. In order to qualify for state planning funds, an RTPO containing a county with a population greater than one million must provide voting membership on its executive board to the state Transportation Commission, the state Department of

Transportation, and the three largest port districts within the region. Additionally, the RTPPO must assure that at least 50 percent of the local elected officials serving on its executive board also serve on transit agency boards or on a regional transit authority.

Summary of Bill: In order to qualify for state planning funds, an RTPPO containing a county with a population greater than three hundred thousand must provide voting membership on its executive board (or equivalent board) to the state Transportation Commission, the state Department of Transportation, and the four largest port districts within the region. Additionally, the RTPPO must assure that at least 50 percent of the local elected officials serving on its executive board also serve on transit agency boards or on a regional transit authority.

Effective Date: July 24, 2005

**SSB 5177: Modifying transportation benefit district provisions.
Chapter 336, Laws of 2005, PV**

Background: Current law permits a county or city to establish one or more transportation benefit districts (TBDs) within its jurisdiction to fund improvements to city streets, county roads, and state highways. When establishing the TBD area, the jurisdiction proposing to create the TBD may only include other counties and cities through interlocal agreements. A TBD expenditure plan must be specified in the ordinance establishing the TBD, and may not be changed without first going before a public hearing. A TBD must be dissolved when all debt has been paid and anticipated responsibilities have been satisfied.

TBDs are governed by the legislative authority of the jurisdiction proposing to create a TBD. When multiple jurisdictions are involved in establishing a TBD, however, the governance structure is controlled by interlocal agreement.

TBDs have independent taxing authority to implement the following revenue measures: (1) excess property taxes; (2) general obligation bonds; (3) transportation impact fees; and (4) border area motor vehicle fuel taxes. Additionally, TBDs may form local improvement districts with authority to impose special assessments on property benefitted by the improvements and to issue special assessment bonds.

Summary of Bill: The law governing transportation benefit districts is expanded.

Establishment of TBDs. TBDs may only be formed in areas outside of a county with a population greater than 1.5 million and any adjoining counties with a population greater than 500,000. Jurisdictions with authority to initiate a TBD include counties and cities. However, port districts and transit districts may participate in the establishment of a TBD. The TBD area must include the entire area within each participating jurisdiction. If a TBD includes more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions.

Transportation Improvements. TBDs may fund projects that are of statewide or regional significance contained in a state or regional transportation plan. A TBD may spend up to 40 percent of its generated revenue on local street, road, and highway improvements.

Revenue Options. In addition to the revenue options available to TBDs under current law, a TBD may implement the following revenue measures: (1) local option sales and use taxes; (2) local option vehicle license fees; and (3) vehicle tolls. A TBD may only implement revenue measures approved by the local voters.

Revenue rates, once imposed, may not be increased, unless authorized by voter approval. If project costs exceed original costs by more than 20 percent, a public hearing must be held to solicit public comment regarding how the cost change should be resolved. The district must be dissolved upon completion of the project(s) and the payment of debt service.

Effective Date: July 24, 2005

**SSB 5623: Clarifying that sales and use tax does not apply to certain regional transit authority service agreements.
Delivered to the Governor**

Background: Sales tax is imposed on retail sales of most items of tangible personal property and some services. The use tax is imposed on the same privilege of using tangible personal property or services in instances where the sales tax does not apply. Sales and use taxes are levied by the state, counties, and cities, and total rates vary from 7 to 8.9 percent.

With few exceptions, all retail sales of tangible personal property or services defined as retail between any two political subdivisions of the state are subject to the retail sales tax. Political subdivisions of the state engaging in any activity for which a specific charge is made are also subject to the business and occupation tax.

Summary of Bill: The definition of retail sale does not apply to agreements to provide maintenance services for bus, rail, or rail fixed guideway equipment when a regional transit authority is the recipient of the maintenance service and the services are being provided by another transit agency

Effective Date: July 24, 2005

V. Operational Related Legislation

**HB 1108: Limitations for vehicles passing pedestrians or bicyclists
Chapter 396, Laws of 2005**

Background: Currently, when a vehicle overtakes and passes another vehicle, the passing vehicle must pass to the left at a safe distance and is prohibited from returning to the right side of the roadway until safely clear of the overtaken vehicle.

Vehicles are forbidden from driving on the left side of the roadway, from the driver's perspective, when: (1) approaching or upon the crest of a grade where the driver's view is obstructed; (2) within 100 feet of an intersection or railroad crossing; (3) the view is obstructed upon approaching within 100 feet of a bridge, viaduct or tunnel; or (4) the left side is not clearly visible and free of oncoming traffic for a sufficient distance to permit overtaking and passing without interfering with oncoming traffic.

Summary of Bill: The driver of a vehicle passing other traffic on the roadway or a pedestrian or bicyclist on the roadway or on the shoulder of the roadway, must pass at a safe distance to the left. The driver must also be safely clear of the overtaken pedestrian or bicyclist before returning to their original position on the roadway.

The driver of a vehicle may also not drive on the left side of the roadway, from the perspective of the driver, when a bicycle or pedestrian is within view of the driver and is approaching from the opposite direction or when doing so would put the vehicle within a hazardous distance of a bicyclist or pedestrian.

Clarifies that nothing in the language of the statutes governing passing by vehicles relieves pedestrians or bicyclists of their legal duties while traveling on public highways.

Effective Date: July 24, 2005

**HB 1113: Regulating traffic signal preemption devices.
Chapter 183, Laws of 2005**

Background:

Optical Strobe Light Devices. The chapter governing vehicle lighting and other equipment describes "optical strobe light devices" as devices that emit optical signals at specific frequencies to traffic control signals in order to alter the cycle of the lights. Optical strobe light devices may only be installed or used on the following classes of vehicles: (1) law enforcement or emergency vehicles in order to obtain the right-of-way at intersections; (2) the Department of Transportation, city, or county maintenance vehicles in order to perform maintenance tests; and (3) public transit vehicles in order to accelerate the cycle of the lights. A violation of these provisions is a traffic infraction.

Although there are some exceptions, generally under the chapter governing disposition of traffic infractions, a person found to have committed a traffic infraction is assessed a maximum monetary penalty of \$250.

Traffic Control Signal. The chapter governing public highways and transportation defines a "traffic control signal" as any manual, electronic, or mechanically operated traffic device by which traffic is alternately directed to stop or proceed or is otherwise controlled. Traffic control signals are designed and operated to respond to certain classes of approaching vehicles, usually emergency or transit vehicles, to give them priority in passing through an intersection. Devices which activate this priority or otherwise preempt the normal traffic signal operations have recently become more available to the general public.

Any meddling with a traffic control signal, which includes any attempt to alter, deface, injure, knock down, or remove any official traffic control signal, traffic device, or railroad sign or signal is a misdemeanor offense.

A misdemeanor offense is punishable by imprisonment in the county jail for a maximum term of not more than 90 days, or by a fine of not more than \$1,000, or both.

Summary of Bill: It is a criminal offense to possess, sell, purchase, install, or use a signal preemption device in a vehicle, unless the vehicle is being used as an emergency vehicle authorized by the state patrol, a publicly owned law enforcement or emergency vehicle, or a public transit vehicle.

Optical Strobe Light Devices. Provisions relating to optical strobe light devices are deleted.

Signal Preemption Device. A signal preemption device is defined as a device capable of altering the normal operation of a traffic control signal. Any other device manufactured by a vehicle manufacturer is not a signal preemption device if the primary purpose of the device is any purpose other than the preemption of traffic signals and the device's ability to alter traffic signals is unintended and incidental to the device's primary purpose.

Possession of Signal Preemption Devices. Unless otherwise authorized, it is a misdemeanor offense to possess a signal preemption device. A misdemeanor offense is punishable by imprisonment in the county jail for a maximum term of not more than 90 days, or by a fine of not more than \$1,000, or both.

Selling and Purchasing of Signal Preemption Devices. It is a gross misdemeanor offense to: (1) use a signal preemption device unless authorized to do so; (2) sell a signal preemption device to a person other than someone authorized to use such a device; and (3) purchase a signal preemption device for unauthorized uses. A gross misdemeanor offense is punishable by imprisonment of not more than one year in jail, or by a fine of not more than \$5,000, or both.

Penalties for Causing an Injury Due to the Unauthorized Use of a Signal Preemption Device.

Negligently Causing an Accident. It is an unranked class C felony offense to negligently cause an accident by the unauthorized use of a signal preemption device. Negligently causing an accident occurs when an unauthorized person uses a signal preemption device that causes an accident resulting in injury to property or to a person (victim) that does not result in substantial bodily harm.

A person convicted for an unranked felony would receive a sentence of up to one year in jail. The sentence may also include community service, legal financial obligations, a term of community supervision not to exceed one year and a fine.

Negligently Causing Substantial Bodily Harm by Use of a Signal Preemption Device. It is a seriousness level III, class B felony offense to negligently cause substantial bodily harm by the unauthorized use of a signal preemption device. Negligently causing substantial bodily harm occurs when an unauthorized person uses a signal preemption device that causes an accident that results in injury to a person (victim) that amounts to substantial bodily harm. A first-time offender with no prior criminal history would receive a presumptive sentence range of one to three months in jail.

Negligently Causing Death. It is a seriousness level VII, class B felony offense to negligently cause death by the unauthorized use of a signal preemption device. Negligently causing death occurs when an accident results in the death of a victim due to an unauthorized person using a signal preemption device. A first-time offender with no prior criminal history would receive a presumptive sentence range of 15 to 20 months in prison.

Authorized Users of Signal Preemption Devices. Exemptions exist for the use, selling, and purchasing of signal preemption devices and the criminal violations do not apply to the following:

- a law enforcement agency and law enforcement personnel in the course of providing law enforcement services;
- a fire station or a firefighter in the course of providing fire prevention or fire extinguishing services;
- an emergency medical service or ambulance in the course of providing emergency medical transportation or ambulance services;
- an operator, passenger, or owner of an authorized emergency vehicle in the course of his or her emergency duties;
- the Department of Transportation, city, or county maintenance personnel while performing maintenance;
- public transit personnel in the performance of their duties. However, public transit personnel operating a signal preemption device shall have second degree priority to law enforcement personnel, fire fighters, emergency medical personnel, and other authorized emergency vehicle

- personnel, when simultaneously approaching the same traffic control signal;
- a mail or package delivery service or employee or agent of a mail or package delivery service in the course of shipping or delivering a signal preemption device; and
- an employee or agent of a signal preemption device manufacturer or retailer in the course of his or her employment in providing, selling, manufacturing, or transporting a signal preemption device to an authorized individual or agency.

Effective Date: July 24, 2005

**SHB 1117: Highway weight limit for farm implements.
Chapter 96, Laws of 2005, PV**

Background: Current law exempts farm implements that weigh less than 45,000 pounds, are 70 feet long or less, and 14 feet wide or less from state highway weight and size limits. In order to travel on a state highway, the overweight or oversize farm implement must be patrolled, flagged, lighted, and signed. Violation of this law is a traffic infraction.

Summary of Bill: Directs the Washington State Department of Transportation (WSDOT) to work with the federal government, local transportation authorities, transportation agencies in other states, and legislative members and/or staff to conduct a study regarding overweight farming vehicles.

Until such a study and any subsequent law or rule changes are enacted:

Certain farm implements that weigh up to 105,500 pounds used to transport dairy nutrients in order to comply with the Dairy Nutrient Management Act may travel on city or county roads, under certain conditions. A city or county road authority may restrict the movement of such vehicles.

The Legislature requests that the United States Department of Transportation allow certain farm implements to travel on Washington highways under rules or policies established by the WSDOT.

Effective Date: July 24, 2005

**HB 1124: Authorizing the use of signs, banners, or decorations over
highways under limited circumstances.
Chapter 398, Laws of 2005**

Background: The Washington State Department of Transportation (WSDOT) is required to adopt standards and specifications for a uniform system of traffic control devices. These standards provide consistency statewide concerning the display and location of signs, signals, signboards, guideposts, and other traffic devices erected on state highways.

The WSDOT has the authority to prohibit the suspension of signs, banners or decorations over highways in incorporated areas if they are less than 20 feet from the roadway surface. Similar authority is not provided for unincorporated areas of the state.

Under the Scenic Vistas Act, limitations are placed on the type of signs allowed within view, or within the right of way, of certain highways. The applicable highways include those designated by the legislature as being part of the scenic highway system.

Summary of Bill: The WSDOT is permitted to include a standard in the uniform system they adopt allowing signs, banners, or decorations to be placed over a highway when they:

- are in an unincorporated area;
- are placed at least 20 vertical feet above the highway; and
- do not interfere with or obstruct the view of any traffic control device.

The WSDOT is directed to adopt rules regulating the placement of allowable signs, banners, and decorations.

An exemption is provided in the Scenic Vistas Act permitting signs, banners, or displays sponsored by local agencies. The signs, banners, or displays may not contain advertising.

Effective Date: July 24, 2005

HB 1397: Motor vehicle emission standards. Chapter 295, Laws of 2005

Background: Under the federal Clean Air Act, the states have the option to implement either federal motor vehicle emission standards or California motor vehicle emissions standards for passenger cars, light duty trucks and medium duty passenger vehicles.

The Washington State Clean Air Act amendments passed in 1991 require engine manufacturers to conform with the exhaust emission standards of the federal Environmental Protection Agency (EPA). They also prohibit the Department of Ecology (DOE) from adopting the California vehicle emissions standards unless authorized by the Legislature.

California's current low emission vehicle standards (called "LEV II") are being phased in over the 2004 through 2010 model years. The program reduces nitrogen oxides and hydrocarbons. The rules require that 90 percent of new cars and light duty trucks meet low emission standards and 10 percent of vehicles meet zero emission standards. Manufacturers may receive partial credits toward meeting the zero emissions requirements through the production of partial zero emission vehicles (PZEVs).

In 2002, the California Legislature approved Assembly Bill 1493 (Rep. Pavley) which would extend emissions controls to greenhouse gases, beginning with the 2009 model year. The California Air Resources Board has submitted proposed implementing rules to the 2005 California Legislature for approval. These changes have not yet been approved by the EPA and are under litigation in California.

Until 2008, certain certificate of ownership fees must be distributed to three accounts as follows: 58.12 percent to an Air Pollution Control sub-account, 15.71 percent to the Vessel Response Account, and 26.17 percent to the Transportation 2003 (Nickel) Account. Beginning on July 1, 2008, all of these fees will be deposited in the Transportation 2003 (Nickel) Account.

A portion of the money in the air pollution control sub-account has been appropriated to the DOE to retrofit school buses with exhaust emission control devices as well as fueling infrastructure necessary to allow school bus fleets to use alternative, cleaner fuels.

State law requires the DOE to administer a program to test vehicle emissions in those areas that violate or are likely to violate federal air quality standards. Currently, vehicle emission tests are required in the urban areas of Clark, King, Pierce, Snohomish and Spokane counties. Motor vehicles in these areas must be inspected every two years. Vehicles which are 25 years or older are exempt from emissions testing. The inspection stations are operated under contract with the DOE. No person contracted to inspect motor vehicles may perform repairs for compensation.

Summary of Bill: The Legislature adopts the California motor vehicle emission standards, excluding zero emission vehicle program regulations, in effect on January 1, 2005. The rules will only be effective for those model years for which Oregon has adopted the California vehicle emission standards.

Beginning with the first applicable model year, no vehicle will be registered, leased, rented, or sold for use in the state unless the vehicle: (1) (a) is consistent with the vehicle emission standards as adopted by the DOE; (b) is consistent with the carbon dioxide equivalent emission standards as adopted by the DOE; and (c) has a California certification label for (i) all emission standards, and (ii) carbon dioxide equivalent emission standards necessary to meet fleet average requirements; or (2) has 7,500 miles or more. Starting with the first applicable model year, new vehicles are exempt from emission inspections.

The Department of Licensing and the DOE are granted rulemaking authority, and may provide for reasonable exemptions to those requirements. In particular, the DOE may exempt public safety vehicles if DOE finds that public safety vehicles are not reasonably available. For final adoption of the rules, the order of adoption must include the Governor's signature.

In its rulemaking, the Department of Ecology may provide for a system of awarding partial credits toward zero emission vehicle requirements. In addition, these credits will be awarded for partial zero emissions vehicles produced and sold prior to the first applicable model year. At the choice of the manufacturers, the early credits may reflect the Washington market, recognizing that there may be more early sales of partial zero emission vehicles in Washington.

Independent repair shops may be certified to perform warranty service. Manufacturers must compensate independent repair shops at the same rates as franchised dealers for covered warranty services.

In order to prevent tampering with odometers to avoid compliance with the new emissions standards, the bill makes it a gross misdemeanor to turn forward the odometer of any vehicle.

The Office of Financial Management, in conjunction with the Departments of Licensing, Revenue, and Ecology, must report annually on the availability of vehicles meeting the standards, the progress of automobile industries in meeting the requirements, and other relevant matters to the success of the industry in implementing these requirements.

Two 1991 statutes are repealed: (1) requiring engine manufacturers to certify that new engines conform with current exhaust emission standards of the EPA; and (2) prohibiting the DOE from adopting the California vehicle emission standards.

Monies formerly dedicated to school buses would also be used for other publicly-owned diesel equipment upon a finding of a public health benefit. The remaining monies may be used to reduce any transportation-related air contaminant emissions in addition to the other uses.

Beginning in 2012, the DOE may authorize businesses other than the emissions inspection contractor to conduct emission inspections. Authorized businesses may also perform repairs on any vehicles. The emission inspections program terminates in 2020.

Effective Date: May 6, 2005

**HB 1798: Motorist information sign program.
Chapter 407, Laws of 2005**

Background: The Washington State Department of Transportation (WSDOT) is authorized to erect and maintain motorist information sign panels within the right-of-way of the highway system in order to provide the traveling public with information regarding gas, food, lodging, and tourist-related businesses available at or near an interchange. The WSDOT is required to charge reasonable fees to defray the cost of installing and maintaining the individual business signs on the motorist information panels. However, the WSDOT is not required to recover their costs for erecting and maintaining the information sign panels.

During the 2002 legislative session, a bill was enacted requiring the WSDOT to contract with a private contractor to administer the motorist information sign panel program. Under this law, the contractor would be solely responsible for the marketing, administration, financial management, sign fabrication, installation and maintenance of the information sign panels.

In addition, the contractor was authorized to set the market rate to be charged to businesses advertising on the information sign panels. Prior to this change, the WSDOT was charging \$100 per year for a business to advertise on a panel located on the interstate. This rate did not recover the entire cost to do the work. In states where a private contractor runs the motorist information sign panel program, fees to participating businesses range from \$650 to \$4,600 per year.

In November 2003, the WSDOT released a request for proposal to potential vendors. In mid-December, the Washington Federation of State Employees sought an injunction against the WSDOT awarding a contract for this program, arguing the changes to the program constituted an impairment of the union's contract. The courts granted the injunction until the case is decided.

In the 2004 Transportation Budget, the WSDOT was given authorization to restart the program to run through June 2005. As part of the budget, the Legislature specifically authorized the WSDOT to revise the fee schedules for the program in order to recover the costs of the program, subject to legislatively imposed maximum rates.

Summary of Bill: The WSDOT is required to charge sufficient fees to recover their costs for erecting and maintaining motorist information sign panels on the state highway system.

The current law requiring the WSDOT to contract out the motorist information sign program is repealed.

The motorist information sign program is modified to allow a "RV" logo to be placed on individual sign panels for participating businesses or destinations that can accommodate recreational vehicles.

The WSDOT is required to provide a report by December 15, 2005. The report is to provide an accounting for the revenues and expenditures associated with the motorist information sign program, and the methodology for calculating the fees charged to participating businesses.

Effective Date: July 24, 2005

**HB 1864: Modifying citizen oversight of toll charges.
Chapter 329, Laws of 2005**

Background: The Tacoma Narrows Bridge toll project is authorized in 47.46 RCW. Toll projects developed under 47.46 RCW require an advisory vote if there is opposition to the project demonstrated by the submission of petitions bearing at least 5,000 signatures opposing the project and delivered to the Washington State Department of Transportation (WSDOT) within 90 days after project selection. The WSDOT is required to conduct a study of traffic patterns and economic impact to determine the boundaries of the affected project area. The registered voters in the affected project area are eligible to participate in the advisory vote. The affected project area for the Tacoma Narrows Bridge project includes all of Clallam, Jefferson, Kitsap and Thurston counties and portions of Mason, Pierce and King counties.

A citizen advisory committee is required for each project developed under 47.46 RCW. The nine committee members are appointed by the Governor and must be permanent residents of the affected project area. The Citizen Advisory Committee advises the Transportation Commission, the toll setting authority, on all matters relating to the setting of tolls. No toll charge may be imposed or modified unless the Citizen Advisory Committee has been given at least 20 days to review and comment on the proposed toll schedule.

The project is currently under construction and is scheduled to begin collecting tolls in April, 2007. The members of the Citizen Advisory Committee have not been appointed at this time.

Summary of Bill: The members of the citizen advisory committee must be appointed proportionately from those areas which generate the most traffic as determined by a traffic analysis.

The Citizen Advisory Committee is given additional direction to look at the feasibility of toll discounts for frequent users, senior citizens, students, and electronic transponder users. In addition to the discounts, the Citizen Advisory Committee is to look at the trade-off of providing discounts versus the early retirement of the debt. The Citizen Advisory Committee is also directed to look at variable or time of day pricing.

Effective Date: July 24, 2005

**ESSB 5060: Regulating automated traffic safety cameras.
Chapter 167, Laws of 2005**

Background: Current law contains no express statutory authority allowing local governments to use automated traffic enforcement systems such as photo radar, photo devices at stop lights, and photo devices at railroad crossings. However, in 2004 the legislature allowed for the use of photo enforcement systems for toll collection evasion. Additionally, the state transportation budgets for the 2001-03 and 2003-05 fiscal bienniums contained provisos establishing pilot projects, to be monitored by the Washington Traffic Safety Commission, utilizing traffic safety cameras.

City treasurers are currently required to remit monthly to the State Treasurer 32 percent of the noninterest money received from penalties, fines, bail forfeitures, fees and costs for violations of municipal or town ordinances, together with any other noninterest revenues received by the clerk. Such funds are deposited by the State Treasurer into the Public Safety and Education Account. The 32 percent remittance does not include monies received for parking infractions.

Summary of Bill: Local governments may use "automated traffic safety cameras" (cameras) subject to the following conditions: (1) an ordinance must first be enacted by the local legislative authority allowing their use to detect only stoplight, railroad crossing, or school speed zone violations and setting forth public notice and signage provisions; (2) use of the cameras is restricted to two-arterial intersections, railroad crossings, and school speed zones only; (3) pictures may only be taken of vehicles and vehicle license plates and only while an infraction is occurring, and must not reveal driver or passenger faces; (4) all locations where a camera is used must be clearly marked by signs indicating the presence of a camera zone; (5) infraction notices must be mailed to the registered owner of the vehicle within 14 days of the infraction, and may be responded to by mail; and (6) infractions detected through the use of cameras are not part of the registered owner's driving record.

The registered owner of a vehicle is responsible for an infraction detected by an automated traffic safety camera unless the owner states under oath that the vehicle involved was, at the time, stolen or in the care, custody, or control of another person.

Infractions detected through the use of cameras must be processed in the same manner as parking infractions.

Effective Date: July 24, 2005

SSB 5161: Including reports of driving distractions in accident reports. Chapter 171, Laws of 2005

Background: Under current law, there is no requirement for law enforcement officers to indicate in their reports whether a wireless communication device was in use at the time of a motor vehicle accident or whether the driver was distracted at the time of the accident.

Summary of Bill: The Washington State Patrol must expand its traffic accident form, that is completed by an investigating officer, to include information disclosing whether any driver involved in an accident was distracted at the time of the accident. Additionally, the Washington State Patrol must include related statistical information in its yearly and monthly reports. Distraction categories to be collected and reported are to include at least the following:

- not distracted;
- operating a hand-held electronic telecommunication device;
- operating a hands-free wireless telecommunication device;
- other electronic devices (to include, but not limited to, PDA's, laptop computers, navigational devices, etc.);
- adjusting an audio or entertainment system;
- smoking;
- eating and/or drinking;

- reading and/or writing;
- grooming;
- interacting with children, passengers, animals, or objects in the vehicle;
- other inside distractions;
- outside distractions; and
- distraction unknown.

Effective Date: January 1, 2006

**SB 5356: Modifying the alignment of SR 290.
 Chapter 14, Laws of 2005**

Background: Under current law The Transportation Improvement Board (TIB) is designated as the state agency assigned to review route jurisdiction transfer requests. After soliciting public testimony TIB forwards any jurisdictional transfer requests to the Legislature for review. TIB is recommending that a portion of SR 290 be transferred to the City of Spokane. If a route being considered for transfer is located wholly within one or more contiguous jurisdictions responsibility can remain at the local level, if local officials prefer.

Summary of Bill: The definition of SR 290 is amended. SR 290 would begin at SR 90 in Spokane. That portion of SR 290 currently beginning at SR 2 and ending at Hamilton Street would be transferred to the City of Spokane.

Effective Date: July 24, 2005

**ESSB 5509: High-performance green buildings.
 Chapter 12, Laws of 2005**

Background: "Green building" is a term used to describe development and construction standards that promote environmental conservation. Introduced in 2000 by the U.S. Green Building Council, LEED (Leadership in Energy and Environmental Design) provides national design-guidelines and a third-party certification tool for rating commercial green buildings.

LEED certification is voluntary and fee-based. It is based on a point system, focusing on six major areas: sustainable sites; water efficiency; energy and atmosphere; materials and resources; indoor environmental quality; and innovation and design process. LEED certification has four ranks: LEED Certified, LEED Silver, LEED Gold, and LEED Platinum.

In January 2003, the legislatively created Joint Task Force on Green Building recommended legislation to adopt LEED silver standards, or comparable design standards, for the state-funded construction or renovation of buildings. A House bill was introduced during the 2003 session, and reintroduced during the 2004 session, but it never received a hearing.

In January 2005, Governor Locke issued an executive order directing state agencies to incorporate green building practices in all new construction projects and major remodels over 25,000 gross square feet. LEED silver standard certification is required or an alternative equivalent certification as determined by the Department of General Administration (GA).

"Building commissioning" is the process of testing all the systems in a building to determine if they are installed and working properly and making the necessary corrections to assure all the building systems are performing efficiently. Current State Board of Education rules require school districts to perform building commissioning for projects greater than 50,000 square feet.

Summary of Bill: LEED silver certification required for projects funded in capital budget. All major facility projects funded in the capital budget, or projects financed through a financing contract as established in law, must be designed, constructed, and certified to at least the LEED silver standard, to the extent appropriate LEED silver standards exist for a project type. This requirement applies to any entity, including public agencies and public school districts, although the school districts may use the Washington Sustainable School Design Protocol.

Except for public school districts, the LEED standards apply to projects that enter into the design phase or the grant application process after the effective date of the act. School districts are subject to the following dates: July 1, 2006, for volunteering school districts; July 1, 2007, Class I school districts; and July 1, 2008, for Class II school districts.

Operational savings of LEED projects must be documented and reported. Public agencies and school districts must document and report the operational savings of their LEED projects. Public agencies must annually report to GA, while public school districts must annually report to the Office of the Superintendent of Public Instruction (OSPI). Starting on September 1, 2006, and each even-numbered year until 2016, GA and the OSPI must consolidate the individual reports into a single biennial report for the Governor and the Legislature. If applicable, the consolidated reports must explain why high performance building standards were not used on a project.

Administrative guidelines must be issued by GA and the State Board of Education. GA and the State Board of Education must issue guidelines for the public agencies affected by this act, and fee schedules must be amended to accommodate the design standards required under this act.

An advisory committee is created. GA must create a high-performance buildings advisory committee to give advice on implementing this act. The committee must consist of representatives from the design and construction industry, affected public agencies, the State Board of Education, OSPI, and others at the GA's discretion. In addition, OSPI must use the school facilities advisory board as a high-performance buildings advisory committee.

Preproposal conferences and building commissioning are required. Requests for proposals on qualifying projects must provide for preproposal conferences to discuss the appropriate performance standards. Qualified major facility projects must include building commissioning as part of the construction process.

State Board of Education to adopt implementing rules. In adopting rules to implement this act, the State Board of Education must, among other things, review, and modify current rules concerning energy conservation in the design of public buildings.

Liability is limited. Members of design and construction teams who act in good faith are not liable for the failure of a major facility project to meet LEED standards.

Certain wood not recognized by LEED must be credited. GA must credit projects for using wood products with a credible third party sustainable forest certification or from forests regulated under the Washington Forest Practices Act.

Affordable housing is exempted from LEED standards. Affordable housing projects funded in the capital budget are exempt from LEED standards. By July 1, 2008, the Department of Community Trade and Economic Development (CTED) must adopt and administer an existing sustainable building program for affordable housing. From 2009 to 2016, CTED must annually report to GA.

JLARC to conduct performance review. JLARC must conduct a performance review of the high-performance building program, which must include identification of costs and savings. The committee must make a preliminary report of its findings and recommendations by December 1, 2010, and a final report by July 1, 2011.

Terms are defined. Various terms are defined, such as "Washington sustainable school design protocol," "major facility project," and "public agency." "Washington sustainable school design protocol" means the school design protocol developed by the State Board of Education and OSPI. "Major facility project" generally means: (1) a construction project larger than 5,000 gross square feet of occupied or conditioned space as defined in the Washington State Energy Code; or (2) a building renovation project when the cost is greater than 50 percent of the assessed value and the project is larger than 5,000 gross square feet of occupied or conditioned space as defined in the Washington State Energy Code. "Major facility project" does not include, among other things, hospitals, research facilities, and projects where it is determined that the LEED silver standard or the Washington sustainable school design protocol is not practicable. "Public agency" means every state office, officer, board, commission, committee, bureau, department, and public higher education institution.

Intent is established. Among other things, the Legislature finds that high-performance public buildings save money, improve school performance, and increase worker productivity. The legislature affirms the LEED program goal to increase the demand for locally extracted and manufactured building materials and products.

Effective Date: July 24, 2005

VI. Legislation Affecting Washington State Ferries

ESHB 1703: Fare cards for transportation facilities and services. Chapter 285, Laws of 2005

Background: The Uniform Unclaimed Property Act governs the disposition of intangible property that is unclaimed by its owner. A business that holds unclaimed intangible property must transfer it to the Department of Revenue (Department) after a holding period set by statute. The holding period varies by type of property, but for most unclaimed property the holding period is three years. After the holding period has passed, the business in possession of the property transfers the property to the Department.

The Uniform Unclaimed Property Act applies to any unclaimed property, whether tangible or intangible, in general. In 2004, the Legislature exempted gift certificates, including gift cards, from the unclaimed property provisions, as long as the holders or issuers of the certificates met certain requirements. Gift cards are defined to include cards with stored value that may be exchanged for consumer goods and services.

Some public transportation agencies issue fare cards as a convenient mechanism to riders for paying for transit trips. These cards maintain an amount of stored value that may be redeemed incrementally when making transit trips. There is some question as to whether such cards would be subject to the gift certificate law enacted in 2004. The 2004 law provides an intent statement that the law be liberally construed to benefit consumers and that any ambiguities with respect to the application of the law should be resolved by applying the unclaimed property law to the intangible property in question.

Summary of Bill: A public transportation agency may retain any funds representing value on abandoned fare cards until such time as the owner of the value claims it. A fare card is any pass or instrument purchased to utilize public transportation facilities or services. Fare cards do not include gift cards that are subject to the 2004 gift certificate law.

Effective Date: July 24, 2005

ESSB 5432: Creating the oil spill monitoring and oversight council. Chapter 304, Laws of 2005

Background: In response to the oil spill from the Exxon Valdez in April 1989, Congress passed the Oil Pollution Act of 1990 (referred to as "OPA 90"). The act created two regional citizen advisory councils (RCAC) in the State of Alaska, one for Prince William Sound and one for Cook Inlet.

The councils provide citizen oversight of environmental safety issues that seek to minimize the risk of oil spills and other environmental impacts, and enhance oil spill prevention and response. The councils specific duties include: providing advice and making recommendations relating to the oil terminal, oil tankers, and port; monitoring terminal and tanker operations; and reviewing the adequacy of oil spill prevention and contingency plans.

Congress requires the owners or operators of the terminal facilities or crude oil tankers operating in the region to provide annual funding of up to \$2,000,000 for the Prince William Sound RCAC and \$1,000,000 for the Cook Inlet RCAC (adjusted by the consumer price index).

In OPA 90, Congress made the following finding in regards to citizen involvement in monitoring oil operations: "[S]imilar programs should be established in other major crude oil terminals in the United States because recent oil spills...indicate that the safe transportation of crude oil is a national problem."

Summary of Bill: An Oil Spill Advisory Council (council) is created in the Office of the Governor to maintain the state's vigilance in the prevention of oil spills, while recognizing the importance of also improving preparedness and response. A chair-facilitator position is created as a nonvoting member of the Oil Spill Advisory Council. The council meets at least four times a year, with specified locations for three of the meetings.

The council is composed of sixteen members appointed by the Governor, plus two invited tribal representatives. Members are appointed for the following interests: Three environmental organizations; one commercial shellfish; one commercial fisheries; one marine recreation; one tourism; three county governments; two marine trade; one marine labor; one major oil facilities; one public ports; and one individual who resides on a shoreline.

Appointments to the council must reflect a geographical balance and the diversity of populations within the areas potentially affected by oil spills in state waters. Members serve four-year terms, are reimbursed for travel expenses, and are eligible for per diem.

The duties of the council include: The hiring of professional staff and expert consultants to support its work; consulting with government decision-makers; providing independent advice, expertise, research, monitoring, and assessment of these programs; monitoring and providing information regarding state of the art programs; evaluating incident response reports; and seeking and promoting citizens involvement.

The council also serves as an advisory body on, and provides for stakeholder and public consideration of, matters relating to international, national, and regional oil spill issues.

The council makes annual recommendations for the continuing improvement of the state's oil spill prevention, preparedness, and response. By September 15, 2006, the council must make proposals for the long-term funding of the council's activities and for the long-term sustainable funding for oil spill preparedness, prevention, and response activities. To the extent possible, decisions of the council must be by consensus.

The Department of Ecology must evaluate all oil spill advisory committees and revise or eliminate functions which are no longer necessary.

Effective Date: July 24, 2005

**SSB 5729: Pre-purchase of multiple ferry fares.
Chapter 270, Laws of 2005**

Background: The Washington State Department of Transportation (WSDOT) must annually conduct a full review of the ferry fares schedule. In odd-numbered years the WSDOT must submit a report of this review along with their recommendations for fare schedule revisions to the Transportation Commission (Commission). In odd-numbered years, the Commission must adopt, by rule, a fare schedule for the ensuing biennium. There are several factors WSDOT may consider in formulating fare schedule revisions and the Commission may consider in adopting a fare schedule.

Summary of Bill: The following two factors that WSDOT and the Commission may consider in formulating and adopting fare schedules are added: (1) the pre-purchase of multiple fares, whether for a single rider or multiple riders; and (2) frequent ferry users who live in ferry dependent communities.

Effective Date: July 24, 2005

**SCR 8407: Off-Shore Outsourcing
Filed with the Secretary of State**

Background: There is concern about state contracts performed, in whole or in part, outside the United States and its impacts on Washington's economy, including its agricultural, manufacturing, and technology sectors. There is also a concern about contracts entered into by state agencies which are performed, in whole or in part, outside the United States.

Business, labor, and government leaders recognize that an objective and thorough study of the impact on Washington's economy of state agency contracts that are performed in whole or in part outside the United States is needed.

Summary of Bill: A joint legislative task force is created to study the performance of state contracts outside the United States. The eight-member joint task force consists of two legislators from each caucus of the Senate and House of Representatives.

The joint task force is to consult with and be advised and monitored by an advisory committee consisting of eight members: Three members representing labor; three members representing business, one of whom must represent small business; one member representing the office of the Washington state trade representative; and one member representing the public.

The study is to evaluate:

- the extent to which the performance of state contracts outside the United States results in the creation or loss of family-wage or other jobs;
- the degree to which the performance of contracts inside and outside the U.S. helps Washington's economy and its companies remain competitive globally;
- the extent to which the performance of state agency contracts in whole or in part outside the United States creates a need for adjustment assistance and retraining programs to ensure that Washington's business climate, its employers, and its workers remain competitive globally.
- the degree to which state contracts are being performed at locations outside the U.S.;
- the extent to which state contracts performed at locations outside the U.S. involve personal information;
- subject to available funding, the economic benefit of awarding state contracts to Washington companies;
- the applicability of international trade agreements and federal law to state procurement policies; and
- the extent to which legislative authority over state procurement is adequately protected.

The findings and recommendations of the joint task force must be reported to the legislature by January 1, 2006.

Effective Date: Filed with the Secretary of State on April 25, 2005.

VII. Legislation Affecting Aviation

ESSB 5121: Assessing long-term air transportation needs. Chapter 316, Laws of 2005

Background: Under current law, counties and cities planning under the Growth Management Act must include in their comprehensive plans a process for identifying and siting essential public facilities. Essential public facilities, under the statute, are those facilities typically difficult to site, including airports. Additionally, no local comprehensive plan or development regulation may preclude the siting of essential public facilities.

Summary of Bill: The Aviation Division of the Washington State Department of Transportation (WSDOT Aviation) must conduct a statewide airport capacity and facilities assessment. The assessment must include a statewide analysis, regarding both commercial aviation and general aviation, of existing airport facilities, and passenger and air cargo transportation capacity. However, the primary focus of the assessment must be on commercial aviation. The assessment results must be submitted to the Legislature, the Governor, the Transportation Commission, and regional transportation planning organizations, by July 1, 2006.

After submitting the statewide airport capacity and facilities assessment, WSDOT Aviation must conduct a statewide airport capacity and facilities market analysis. The analysis must include a statewide needs analysis of airport facilities, passenger and air cargo transportation capacity, and demand and forecast needs over the next twenty-five years. A more detailed analysis must be conducted regarding the Puget Sound, Southwest Washington, Spokane, and Tri-Cities regions. The analysis must address the forecasted needs of both commercial aviation and general aviation. However, the primary focus of the analysis must be on commercial aviation. The analysis results must be submitted to the Legislature, the Governor, the Transportation Commission, and regional transportation planning organizations, by July 1, 2007.

Upon completion of both the statewide assessment and analysis, the Governor must appoint an Aviation Planning Council to make recommendations, based on the findings of the assessment and analysis, regarding how best to meet the statewide commercial and general aviation capacity needs. The recommendations must include the placement of future commercial and general aviation airport facilities in regions determined to be in need of more improved aviation planning. The Aviation Planning Council must be composed of various aviation planning stakeholders.

If specific funding for the purposes of this act is not provided in the transportation budget by June 30, 2005, the act is null and void.

Effective Date: July 24, 2005

SSB 5414: Adjusting aviation fees and taxes.
Chapter 341, Laws of 2005

Background: Under current law and with few exceptions, Washington pilots, and airmen or airwomen (e.g., certain mechanics, aircraft dispatchers, and air-traffic control tower operators), must register with the Washington State Department of Transportation. The registration fee is fifteen dollars. Effective during the current fiscal biennium (July 1, 2003 through June 30, 2005), seven dollars of each fee must be deposited into the aeronautics account to be used solely for airport maintenance. The remaining eight dollars must be deposited into the aircraft search and rescue, safety, and education account, to be used for: (1) search and rescue efforts; (2) safety and education; and (3) volunteer recognition and support. Effective July 1, 2005, this distribution expires and the entire fifteen dollar registration fee must be deposited into the aircraft search and rescue, safety, and education account.

Summary of Bill: Certain provisions regarding aviation fees and taxes are revised as follows: (1) the state pilot and airman/airwoman registration requirement is repealed; (2) the aircraft search and rescue, safety, and education account is repealed; (3) the aviation fuel tax is increased one cent to eleven cents per gallon; and (4) air carriers, subject to the commercial aircraft exemption from the aviation fuel tax, are defined.

Effective Date: July 1, 2005

VIII. Public Transportation, Rail and Freight Legislation

HB 1237: Specialized commercial vehicles used for patient transportation. Chapter 193, Laws of 2005

Background: Ambulance services are licensed by the Department of Health. Ambulance personnel requirements include at least one person who shall be an emergency medical technician under standards of the Department of Health.

Current state law requires that patients who must be carried on a stretcher or who may require medical attention be transported in ambulances or aid vehicles operated by services licensed by the Department of Health.

For-hire vehicles are licensed by the Department of Licensing. Local governments may regulate the services of for-hire vehicles, which include stretcher vans and cabulances.

Summary of Bill: A stretcher is defined as a cart commonly used in the ambulance industry for transporting patients in a prone or supine position. The term does not include personal mobility aids that recline at an angle or remain in a flat position that are owned or leased for at least one week by the individual being transported.

People who use a personal mobility aid may be transported by stretcher vans or cabulances.

Effective Date: July 24, 2005

SHB 2124: Increasing state participation in public transportation. Chapter 318, Laws of 2005

Background: Within the Department of Transportation (DOT), the Division of Public Transportation and Rail (Division) has responsibility for providing financial and technical assistance to local transit agencies. The Division also provides support and planning for passenger rail and freight rail, including subsidies for AMTRAK Cascade Services.

State grant funding for local public transportation is about \$42 million in the 2003-05 biennium. This represents about 1 percent of transit agency revenue. State funds provide support for special needs services, rural mobility for areas without transit services, trip reduction grants, and vanpools. The Division also administers federal grant funds for rural public transportation, elderly and disabled service grants, intercity service, and reverse commute for job access.

Together with the DOT's Urban Planning Office, the Public Transportation Division represents the DOT in discussions with local and regional transportation planning and service agencies. They also provide coordinated system planning through the Washington Transportation Plan.

There are 26 transit systems currently operating in Washington. Transit agencies plan on a six-year cycle and plans must show how they will fund program needs. Regional transportation planning organizations plan for the long term, providing guidance for transit investments.

Summary of Bill: The Office of Transit Mobility (Office) is created in the DOT. The Office must report quarterly to the Secretary of Transportation and annually to the Transportation Committees of the Legislature.

The primary goals of the Office are to connect and coordinate transit services and planning, and to maximize opportunities to use public transportation to improve the efficiency of transportation corridors.

The duties of the Office include:

- developing a statewide strategic plan that creates common goals for transit agencies and reduces competing plans for cross-jurisdictional service;
- developing a park and ride lot program;
- encouraging long-range transit planning;
- providing public transportation expertise to improve linkages between regional transportation planning organizations and transit agencies;
- strengthening policies for inclusion of transit and transportation demand management strategies in route development and corridor plan standards, and budget proposals;
- recommending best practices to integrate transit and demand management strategies with regional and local land use plans in order to reduce traffic and improve mobility and access;
- producing recommendations for the public transportation section of the Washington Transportation Plan; and
- participating in all aspects of corridor planning, including freight planning, ferry system planning, and passenger rail planning.

In forming the Office, the Secretary is directed to use existing resources to the greatest extent possible.

The Office is directed to establish measurable performance objectives for evaluating the success of its initiatives and progress toward accomplishing the overall goals of the Office.

Local and regional transportation agencies are directed to adopt common transportation goals. The Office is given the responsibility to review local and regional plans to ensure the efficient integration of multi-modal and multi-jurisdictional planning.

The DOT must establish a regional mobility grant program to identify projects that reduce delay for people and goods and improve connectivity between counties and regional population centers.

The DOT must biennially review the Public Transportation Division's existing grant programs and methods for allocating grant funds to determine whether the results are effective and equitable.

The bill is null and void unless new transportation revenues are enacted.

Effective Date: July 24, 2005

**ESB 6003: Commute trip reduction tax credit.
Chapter 297, Laws of 2005**

Background: Major employers who employ 100 or more employees in the state's 10 largest counties are required to implement commute trip reduction programs to reduce the number of their employees traveling by single-occupant vehicles to their work sites.

Under the commute trip reduction program, employers are allowed a business and occupation or public utility tax credit if they provide financial incentives to their employees for ride sharing in car pools, using public transportation, using car sharing, and non-motorized commuting (CTR incentives). Employers may apply for a tax credit of up to \$60 per employee per fiscal year or up to 50 percent of the financial CTR incentives, whichever is less. Property managers and other employers may claim a credit for incentives granted employees at their work sites.

No tax credit claimed can be greater than the amount of taxes due, or greater than \$200,000 each fiscal year. Tax credits may not be carried back but may be deferred for up to three years. The tax credits claimed in a fiscal year may not exceed the amount of credit available, which under current law is \$2.25 million dollars per fiscal year. Under current law, a credit that is deferred, and then claimed in a fiscal year, applies against the amount of credit available.

The State General Fund is reimbursed for the amount of tax credits from the Multimodal Transportation Account. The tax credits and grants expire June 30, 2013.

Summary of Bill: Tax credit deferrals are not allowed past the effective date of this act, therefore no credit deferred may be used after June 30, 2008.

A tax credit may be carried forward, if the amount of the credit the applicant is eligible for exceeds the applicant's tax liability in the fiscal year. The amount of tax credit carried forward does not apply towards the current year's statutory cap. However, credits used in subsequent years are subject to the total state limitation for the fiscal year for which the credit was originally approved. The statutory cap is raised by \$500,000 annually to \$2.75 million dollars.

If the total amount of credit applied for by all applicants in any year exceeds the statutory limit then the Department of Revenue will proportionately reduce the amount of credit allowed for all applicants to meet the statutory limit.

This bill is null and void, unless SB 6103, concerning transportation revenues, is enacted by June 30, 2005.

Effective Date: July 1, 2005

IX. Employee Related Legislation

ESHB 1044: Changing pension funding methodology. Chapter 370, Laws of 2005

Background: The Office of the State Actuary is responsible for recommending appropriate member and employer contribution rates for the Public Employees', Teachers', School Employees', and Washington State Patrol Retirement Systems to the Pension Funding Council (PFC), which adopts the rates for each fiscal biennium. Included as part of the rates recommended by the State Actuary to the PFC for the 2005-07 biennium were pre-funding for the gain-sharing benefit in the Plans 1 and 3 and contributions towards paying off the unfunded liabilities in the Plans 1.

Gain-sharing was created by the 1998 Legislature as a mechanism to increase member benefits in PERS 1, PERS 3, TRS 1, TRS 3, and SERS 3. These increases occur whenever there are extraordinary investment gains, which are defined as compound average of investment returns on pension fund assets that exceeds 10 percent over a period of four fiscal years. Once each biennium, the State Actuary determines whether gain-sharing benefits will be made. Any distributions occur in January of even-numbered years. In Plan 1, half of all extraordinary gains are used to enhance the Uniform Cost-of-Living Adjustment (Uniform COLA) that is given to eligible retirees each year. In Plan 3, half of the extraordinary gains are paid directly into eligible members' and retirees' defined contribution accounts. There have been two gain-sharing distributions since 1998, which resulted in combined benefit improvements costing roughly \$1.1 billion. When the gain-sharing benefit was created by the 1998 Legislature, language was included in the law to reserve the right of the Legislature to amend or repeal the gain-sharing benefits.

The cost of future gain-sharing has never been reflected in the basic contribution rates for the affected systems and was not included in the 2002 actuarial valuation, as the funding methodology and materiality of the gain-sharing provisions were under review. The recent 2003 Actuarial Valuation Report (prepared in December 2004) identified gain-sharing as a material liability and included this liability in calculating the basic contribution rates recommended by the State Actuary to the PFC.

While the state retirement plans that are currently open to new members (the Plans 2 and 3) are currently fully funded, unfunded accrued actuarial liabilities (UAALs) exist in both PERS 1 and TRS 1. This means that the value of the plan liabilities, in the form of members' earned benefits to date, are exceeded by the value of the plan assets. As of the most recent actuarial valuation, the UAAL for PERS 1 is \$2.6 billion and the UAAL for TRS 1 is \$1.4 billion. The statutory funding policy for paying off the UAAL in the Plans 1 is codified as a goal within the actuarial funding chapter. Per statute, the funding process for the state retirement systems is intended to fully amortize the total Plan 1 costs by not later than June 30, 2024. The payments towards the UAAL are included in employer rates and are not shared by members. Under Chapter 11 of the Laws of 2003 (EHB 2254) the Legislature suspended the employer contributions towards the PERS 1 and TRS 1 unfunded liabilities for the duration of the 2003-05 biennium.

The State Actuary's recommended employer 2005-07 contribution rates under current law are 5.73 percent for PERS, 6.74 percent for TRS, and 7.56 percent for SERS. The recommended Plan 2 member rates for the same period are 3.38 percent for PERS 2, 2.48 percent for TRS 2, and 3.51 percent for SERS 2. Member rates in PERS 1 and TRS 1 are fixed at 6 percent. Member contributions in PERS 3, TRS 3, and SERS 3 are made into members' individual defined contribution accounts and do not affect pension system funding.

Summary of Bill: Recognition of the cost of future gain-sharing benefits in retirement system contribution rates is delayed until after the 2005-2007 fiscal biennium. The Select Committee on Pension Policy will study the options available to the Legislature for addressing future gain-sharing liability, including: repealing, delaying, or suspending the gain-sharing provisions, making gain-sharing discretionary, or replacing gain-sharing with other benefits.

Contributions toward the UAAL in PERS 1 and TRS 1 are suspended for the 2005-2007 fiscal biennium. Annual contribution rates for PERS, TRS, and SERS employers and Plan 2 members are specified for each year of the 2005-2007 fiscal biennium, as part of a four-year phase-in of contribution rate increases projected for the 2005-2009 period. The employer contribution rates for FY 2006 are 2.25 percent for PERS, 2.75 percent for SERS, and 2.73 percent for TRS, and the Plan 2 member contribution rates for FY 2006 are 2.25 percent for PERS, 2.75 percent for SERS, and 2.48 percent for TRS. For FY 2007 the

employer contribution rates are 3.50 percent for PERS, 3.75 percent for SERS, and 3.25 percent for TRS, and the Plan 2 member contribution rates are 3.50 percent for PERS, 3.75 percent for SERS, and 3 percent for TRS. The Pension Funding Council is required, upon completion of the 2005 Actuarial Valuation, to adopt contribution rates that complete the four-year phase-in schedule, adjusted for any material changes in benefits, assumptions, methods or experience.

Effective Date: July 24, 2005

**SHB 1054: Uniform Arbitration Act.
Delivered to the Governor**

Background:

Arbitration

Arbitration is one form of non-judicial or "alternative" dispute resolution. Arbitration is done pursuant to an agreement made by two or more parties that they will submit a dispute to a third party for resolution. Arbitration has been described by its advocates as an economical and streamlined method of resolving disputes, particularly those that involve technical or highly specialized issues. Generally, procedural complexity is less in an arbitration than in a court proceeding.

Arbitration in Washington is exclusively statutory. That is, under the common law of the state, arbitration agreements are not enforceable.

Washington's Arbitration Statute

Generally, to be enforceable an arbitration agreement must comply with the arbitration statute. An exception is made in the arbitration statute itself for labor disputes, which may be resolved by whatever method the parties choose.

Washington's current statute on arbitration was adopted by the Legislature in 1943 and has not been substantively amended since. The state's Arbitration Act authorizes the use of arbitration as an alternative to judicial resolution of disputes. Arbitrations conducted in accordance with the statute are enforceable in court.

An arbitration agreement may be entered into before any dispute has arisen or may be entered into after a legal action has already been begun in court. Courts may be asked to review arbitration agreements and procedures for compliance with the statute, but court review of arbitration decisions is limited to correction of an award or vacation of an award on specified grounds. Courts may not review the merits of an award.

Arbitration under the statute is an alternative to the use of the courts for resolving a dispute. There is no general right of appeal in the statute, and the parties to an arbitration agreement may not provide for a trial following an arbitration. In rejecting an arbitration agreement clause that did allow for a trial de novo following arbitration, the Washington State Supreme Court has characterized the purpose of Washington's arbitration statute as follows:

Encouraging parties voluntarily to submit their disputes to arbitration is an increasingly important objective in our ever more litigious society. This objective would be frustrated if a trial court were permitted to conduct a trial de novo when it reviews an arbitration award. Arbitration is attractive because it is a more expeditious and final alternative to litigation. (*Godfrey v. Hartford Cas. Ins. Co.*, 142 Wn.2d 885 (2001), citing earlier decisions.)

In other words, arbitration in Washington is "binding." (*Note: This kind of binding arbitration done pursuant to an agreement is not to be confused with the "mandatory" arbitration that a separate Washington law imposes on parties in some cases. Mandatory arbitration applies only where the sole relief being sought is a relatively small money judgment. Mandatory arbitration, unlike binding arbitration, is followed by a right to a trial de novo precisely because entering mandatory arbitration is involuntary.*)

The arbitration statute sets out various rights of the parties, as well as procedures for initiating and conducting arbitration that are generally less formal and complex than procedures that apply in a lawsuit.

- If a party to an agreement refuses to enter arbitration, the other party may petition a court to force compliance with the agreement. Either party may demand an "immediate trial by jury" to resolve issues of the validity of the agreement itself. However, once a party has notice of a demand for arbitration, a challenge to the validity of the agreement must be made within 20 days.
- A court may appoint arbitrators if an agreement does not otherwise provide for appointment or if for some reason the agreement's procedure for appointment fails. The default number of arbitrators to be appointed in a case is three. In any case with more than one arbitrator, a majority of the arbitrators may render an award.
- If a party has been given reasonable notice of an arbitration hearing, the failure of the party to appear at the hearing does not prevent the arbitrators from proceeding.
- Courts are authorized to oversee arbitration and to help ensure the prompt resolution of cases. Unless set otherwise by the agreement, the default time limit for issuance of an arbitration award is 30 days after the proceedings are closed. A court has authority to direct arbitrators to "proceed promptly," and if an arbitrator does not meet the initial deadline, the court may order the arbitrator to make an award by a fixed time. If the arbitrator fails to meet that deadline, the court may impose sanctions upon the arbitrator.
- Any party to an arbitration may be represented by an attorney. Arbitrators may use subpoenas to compel witnesses to appear, and witness fees are allowed in the same manner as in a superior court case. Depositions are also authorized. An arbitrator may also cause property to be preserved in anticipation of satisfying an award.
- Awards may be confirmed, or they may be vacated, corrected, or modified. Where an arbitration award is the product of fraud or corruption, for example, the award can be vacated by a court. A court may also correct an "evident miscalculation" in an award or modify an award made "upon a matter not submitted" to arbitration. The confirmation, vacation, correction, or modification of an award is entered as a judgment of the court. The court has discretion to order a party to pay another party up to \$25 of the costs of seeking one of these court reviews, plus disbursements.

The Uniform Arbitration Act

In the years since the enactment of Washington's law, arbitration has become widely accepted and is regularly used in this state and others. In 1955, the National Conference of Commissioners on Uniform State Laws (NCCUSL) drafted a proposed uniform state law on arbitration. That 1955 Uniform Act was based in large part on state statutes such as the one Washington had adopted in 1943. The 1955 Uniform Act, or modified versions of it, were eventually adopted in all 49 of the other states. Washington's law, as noted above, has remained virtually unchanged since 1943. In 2000, the NCCUSL proposed a revision to the Uniform Arbitration Act. A few states have already adopted the 2000 revision, and several others are in the process of considering it.

Summary of Bill: The 2000 Revised Uniform Arbitration Act (RUAA) is adopted to replace the state's 1943 arbitration statute.

Many changes are made to the previous law, including the addition of provisions to cover issues not addressed in the 1943 arbitration statute. Many of the RUAA's provisions deal with procedural matters. Among the new issues covered by the RUAA are:

- consolidation of proceedings. Courts are given explicit authority to consolidate some or all of the claims in multiple arbitration proceedings.
- arbitrator disclosure of facts potentially affecting impartiality. Arbitrators are generally required to disclose known facts that a reasonable person would consider likely to affect the arbitrator's impartiality. Special rules apply to disclosures by neutral arbitrators.
- arbitrator immunity from civil actions. Generally, arbitrators are given the same immunity as judges.
- requiring arbitrators to testify in other proceedings. Generally, arbitrators may not testify and cannot be required to produce records regarding an arbitration proceeding, to the same extent as a judge.
- nonwaivability of specific sections of the arbitration statute. The RUAA is generally a default statute that allows parties to customize arbitration agreements. However, certain provisions of the RUAA may not be waived or varied. Provisions that may never be waived include: application of the RUAA to arbitration agreements; compelling or staying proceedings; immunity of arbitrators; judicial enforcement of pre-award rulings; judicial authority to confirm, vacate, modify, clarify, or correct an award; and judicial entry of judgment and awarding of costs. In addition, stricter nonwaiver rules apply to the parties before any controversy has arisen. For example, before a controversy, nonwaivability applies to: procedural requirements for motions and notices; availability of provisional remedies; arbitrator impartiality disclosures; the right to counsel (except in labor disputes); subpoena and deposition authority; court jurisdiction; and the right of appeal.
- electronic technology in the arbitration process. Electronic means are expressly authorized for notice requirements in the RUAA. "Records" are defined to include electronic records, and the RUAA is expressly declared to conform to the federal Electronic Signatures in Global and National Commerce Act.

In addition to including these new provisions, the RUAA also makes changes with respect to issues previously addressed in the Washington arbitration statute. The authority of arbitrators to issue provisional remedies during the pendency of an arbitration is expanded and generalized. Arbitrators may protect the effectiveness of an arbitration through provisional remedies, including interim awards, to the same extent as those remedies would be available in a judicial proceeding. In the same manner, the authority of arbitrators to award costs, fees, or exceptional damages is explicitly tied to the ability of a court to do the same in a judicial proceeding on the same kind of issue.

The RUAA applies to all agreements entered into after the effective date of the Act, July 1, 2006. After January 1, 2007, the RUAA also applies to arbitration agreements entered into before the effective date of the Act. In addition, parties to an agreement may choose to make the Act apply before the RUAA's effective date.

The RUAA does not apply to cases subject to mandatory arbitration and does not apply to labor disputes.

Effective Date: January 1, 2006

HB 1266: Drugs and alcohol use by commercial drivers.
Chapter 325, Laws of 2005

Background: Commercial motor carriers are required under federal law to implement drug and alcohol testing programs for their drivers. In 2002, legislation was enacted requiring all medical review officers (MRO) and breath alcohol technicians (BAT) who conduct drug or alcohol testing for commercial motor carriers to report positive test results for a commercial driver directly to the DOL. A driver who wishes to challenge the positive drug or alcohol test result is entitled to a hearing.

The DOL is required to disqualify individuals from driving a commercial motor vehicle if he or she fails a drug or alcohol test. A disqualification remains in effect until the driver presents evidence of satisfactory participation in, or completion of, a drug or alcohol program certified by the Department of Social and Health Services. The DOL reinstates the commercial driver's license once it receives this evidence.

Summary of Bill: Definitions are provided for "positive alcohol confirmation test," "substance abuse professional," and "verified positive drug test" and the definition of drugs is clarified to include substances defined in federal regulations.

A refusal to take a drug or alcohol test that meets the standard for refusal under federal law is considered equivalent to a report of a verified positive drug test or a positive alcohol confirmation test, respectively.

A motor carrier, employer, or consortium that is required to have a testing program must report a refusal by a commercial motor vehicle driver to take a drug or alcohol test to DOL, when the MRO or BAT has not reported the refusal.

An MRO or BAT under contract with an employer involved in transit operations may only report a positive alcohol or drug test for transit drivers to the DOL when the positive test is a pre-employment screening test. A transit employer must report a positive test to the DOL only after: (1) the driver's employment has been terminated or the driver has resigned; (2) any grievance procedures, up to but not including arbitration, have been concluded; and (3) at the time of termination or resignation, the driver has not been cleared to return to safety sensitive functions.

At a hearing to challenge a driver's disqualification, a copy of a positive test result with a declaration by the tester, MRO, or BAT that states the accuracy of the laboratory protocols used to arrive at the test result is prima facie evidence of: (1) the positive test result; (2) that the motor carrier, employer, or consortium has a testing program subject to federal requirements; and (3) that the MRO or BAT making the report accurately followed the protocols for testing established to verify or confirm the results.

A driver's disqualification remains in effect until a driver undergoes a drug and alcohol assessment by a substance abuse professional (SAP) who meets federal requirements. The driver must then present proof of satisfactory participation or completion of the drug or alcohol program recommended by the SAP. The SAP is required to provide a recommendation to the DOL for use in determining the driver's eligibility for driving a commercial vehicle.

Effective Date: July 24, 2005

**HB 1325: Authorizing interruptive military service credit.
Chapter 64, Laws of 2005**

Background: A member of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2), Public Employees' Retirement System Plan 2 or 3 (PERS 2/3), Public Safety Employees' Retirement System Plan 2 (PSERS 2), School Employees' Retirement System Plan 2 or 3 (SERS 2/3), Teachers' Retirement System Plan 2 or 3 (TRS 2/3), or the Washington State Patrol Retirement System Plan 2 (WSPRS 2) who leaves employment to enter the armed forces of the United States may receive up to five years of retirement system service credit.

To receive this service credit, the member must resume retirement system-covered service within one year of the end of his or her service in the armed forces. If a member applies but is refused reemployment within one year, then the member must resume retirement system-covered employment within 10 years.

Following re-employment in a retirement system-covered position, a member may have up to five years of their military service credited to his or her retirement system if they pay the employee contributions plus interest. The contributions are based on the average of the member's compensation at the time the member left employment to join the armed forces and at the time the member resumed employment, and payment must be completed within five years following either the first resumption of state employment or accumulation of 25 years of service credit.

In the event that a member is not reemployed in a retirement system-covered position following his or her military service, the member cannot elect to pay the required employee contributions and interest and receive retirement system service credit for service in the armed forces.

Summary of Bill: The surviving spouse or children of a member of LEOFF 2, PERS 2/3, PSERS 2, SERS 2/3, TRS 2/3, or WSPRS 2 who dies while serving in the uniformed services may, on behalf of the deceased member, apply for retirement system service credit for the member up until the date of the member's death. The survivors will provide the Director of the Department of Retirement Systems (Director) with proof of the member's death while in the uniformed services, and proof of the member's honorable service prior to the date of death.

A member of LEOFF 2, PERS 2/3, PSERS 2, SERS 2/3, TRS 2/3, or WSPRS 2 who is totally incapacitated for continued employment due to conditions or events that occurred while in the uniformed services and who provides the Director with proof of an honorable discharge is entitled to purchase service credit for the period up to the date of his or her discharge.

Effective Date: July 24, 2005

**HB 1330: Uniform Health Information Act
Chapter 327, Laws of 2005**

Background:

General retirement provision on retiree membership in a subsequent system

Members of the Judicial, Judges, Law Enforcement Officers' and Fire Fighters', First Class Cities, Teachers' (TRS), School Employees' (SERS), Public Employees' (PERS) and Washington State Patrol Retirement Systems who are either receiving or eligible to receive a retirement benefit are prohibited from joining a subsequent state retirement plan. The law prohibiting a subsequent plan membership applies

"notwithstanding any provision" of the applicable retirement plan. Provisions in several of the state plans permit members to join a subsequent retirement plan under specific circumstances, and the "notwithstanding" phrase has been consistently interpreted not to bar the operation of these plan-specific provisions.

Cross-references to the Public Safety Employees Retirement System

The Public Safety Employees' Retirement System (PSERS) was created by the 2004 Legislature, and comes into effect on July 1, 2006. The Department of Retirement Systems (DRS) and the Office of the State Actuary (Actuary) have identified a number of cross-references in other plans that should also refer to PSERS, including postretirement employment restrictions.

Payment of a Plan 3 defined contribution account balance to a deceased member's estate

No statutory authority is provided to the Director of the DRS to pay the balance of a member account to the member's estate upon the member's death in the event that the member did not have a spouse or designate a beneficiary of the account.

PSERS members who are elected to state office

The PSERS does not permit members elected to state office to continue membership in PSERS, as the retirement plan does not recognize a state elective office holder as working for a PSERS employer, or provide PSERS-eligible members the opportunity to continue membership while working in a statewide elective office, rather than in their public safety position.

PSERS retirees who reenter employment in state retirement system covered jobs

The PSERS specifies that retirees must wait for 30 days before re-entering PSERS covered employment before being eligible to work as a retiree for up to 867 hours per year without suspension of their retirement benefits. The PERS, TRS, and SERS specify that the reemployment restrictions also apply to positions covered by the other state retirement systems.

PSERS unreduced benefits for members killed in the course of employment

The survivors of PSERS members killed in the course of employment are entitled to receive the survivor benefits without actuarial reduction. The PSERS law related to unreduced duty death benefits refers to "actuarial" reductions to benefits along with a cross reference to the PSERS early retirement law. The PSERS members who have earned 20 or more years of service are eligible for early retirement with a 3 percent per year reduction, rather than an actuarial reduction for those with fewer than 20 years. The death benefit provision could be interpreted to exempt the duty death benefit only from the actuarially-reduced early retirement benefit provided to members with fewer than 20 years of service.

Multiple amendments to the supplemental contribution rate provision in 2003

The law requiring the Actuary to establish a supplemental contribution rate for new benefits was amended twice by the 2003 Legislature, each without reference to the other act. Two different versions of the law now exist.

Repeal of sections requiring written information to be provided by employers to the DRS

Employers of PERS, SERS, and TRS members are required to submit written information to the DRS related to new employees and membership, though the information is now being submitted electronically.

Summary of Bill:

General retirement provision on retiree membership in a subsequent system

The "notwithstanding" language is changed to "except as provided" to clarify, consistent with current interpretation, that plan-specific exceptions prevail over the general prohibition on membership in subsequent retirement plans.

Cross-references to PSERS

Cross-references to PSERS are added to the PERS Plans 2/3, and TRS Plans 2/3 statutes to specify that no retiree is eligible to receive a retirement allowance if they are employed in an eligible position in PSERS.

Payment of a Plan 3 defined contribution account balance to a deceased member's estate

The Director of the DRS is authorized to pay the balance of a member's defined contribution account to a member's legal representative if the member has no surviving spouse or designated beneficiary.

PSERS members who are elected to state office

The PSERS members elected to statewide elective offices may continue membership in PSERS.

PSERS retirees who reenter employment in state retirement system covered jobs

The 30-day reemployment restrictions in PSERS are expanded to apply to PERS, SERS, and TRS covered positions, as well as PSERS covered positions.

PSERS death benefits not subject to early retirement reductions

Clarifies the PSERS unreduced death benefit law to ensure that members eligible for the 3 percent per year reduction at time of death receive the 3 percent reduction, rather than the actuarial reduction referred to with a cross-reference to the early retirement provisions.

PERS cross-reference to repealed statutes

References to two repealed sections of law are removed from a section of PERS Plan 1 relating to the annual increase amount.

Multiple amendments to the supplemental contribution rate provision in 2003

The two versions of the supplemental contribution rate law are combined into a single version.

Repeal of sections requiring written information to be provided by employers to the DRS

Sections of PERS, SERS, and TRS requiring employers to submit written employment and membership information to the DRS are repealed.

Plan 3 annuities

The Employee Retirement Benefits Board shall make optional actuarially equivalent life annuity benefits available for purchase by Plan 3 members from the Plan 2-3 funds subject to favorable tax determination by the Internal Revenue Service.

Effective Date: July 24, 2005

HB 1625: Employer disclosure of employee information
Chapter 103, Laws of 2005

Background: An employer who makes false statements about a current or former employee to a prospective employer is subject to potential liability for harm to the employee caused by the false statements. The tort of defamation is the usual theory of liability connected with false statements contained in job references.

An action for defamation requires a showing that a person wrongfully made a false statement to a third person that results in harm to the person defamed. Libel is a written defamatory statement; slander is spoken. A *true* statement, even if it harms a person's reputation, is not defamatory, and the plaintiff has the burden of proving that the statement is false.

In some situations, a person may make a defamatory communication without being liable because of the existence of an absolute privilege or a qualified privilege. A person who has a qualified privilege to make a defamatory statement can lose the privilege if he or she makes the statement with actual malice or an absence of good faith. The plaintiff has the burden of proving actual malice by clear and convincing evidence. Actual malice exists if the statement was knowingly false or made with reckless disregard as to its truth or falsity.

The Washington Supreme Court has held that an employer has a qualified privilege to disclose potentially defamatory information to a former or current employee's prospective employer in response to an inquiry from the prospective employer.

Summary of Bill: An employer who discloses information about a former or current employee to a prospective employer or employment agency at the request of the employer or employment agency is presumed to be acting in good faith and is immune from civil liability for the disclosure if the information relates to:

- the employee's ability to perform his or her job;
- the employee's diligence, skill, or reliability in carrying out job duties; or
- illegal or wrongful acts committed by the employee when related to job duties.

The presumption of good faith may be rebutted by clear and convincing evidence that the information disclosed was knowingly false, deliberately misleading, or made with reckless disregard for the truth.

An employer is advised to keep a written record of the identity of persons or entities to whom the disclosure is made for a period of two years. If a written record is made, the record must be included in the employee's personnel file, and the employee has a right to inspect the record.

Effective Date: July 24, 2005

ESSB 5173: Uniform Mediation Act.

Chapter 172, Laws of 2005

Background: The Uniform Mediation Act (UMA) is the result of collaboration between the National Conference of Commissioners on Uniform State Laws and the Dispute Resolution Section of the American Bar Association. The stated intent of the UMA is the promotion of candor of parties through confidentiality, encouragement of prompt, economical, and amicable resolution of disputes, and advancement of the policy that decision-making authority in the mediation process rests with the parties. A work group representing a wide range of interest groups was formed by the Dispute Resolution Section of the Washington State Bar Association. The work group concluded that the UMA would constitute a substantial improvement over existing Washington law, subject to several amendments contained in the legislation.

Summary of Bill: The Uniform Mediation Act allows disclosure of mediation communications made during a session of a mediation that is open, or is required by law to be open, to the public. There are six exceptions to the privilege of confidentiality in the UMA. The six exceptions include when the mediation communications: (1) constitute a threat or statement of a plan to inflict bodily injury or commit a violent crime; (2) are intentionally used to plan a crime, attempt to commit a crime, or conceal ongoing criminal activity; (3) are sought or offered to prove or disprove a claim of professional misconduct filed against a mediation party based on conduct occurring during a mediation; (4) are sought or offered to prove or disprove abuse, neglect, abandonment, or exploitation in a proceeding in which a child or adult protective services agency is a party; (5) are sought or offered in a court proceeding involving a criminal felony; and (6) are sought or offered in a proceeding to prove a claim or avoid liability on a contract arising out of the mediation.

The UMA applies to mediations mandated by any statute, court or administrative rule, mediations to which parties have been referred by a court, administrative agency, or arbitrator, and mediations conducted by a professional mediator. The UMA does not cover mediations conducted by a judge who might make a ruling on the case and mediations conducted under the auspices of a primary or secondary school, if all the parties are students, or a correctional institution for youths, if all the parties are residents of the institution.

The UMA applies to dissolution of marriage and legal separation mediations except that communications in postdecree mediations that are mandated by a parenting plan are admissible in subsequent proceedings for limited purposes. The limited purposes include proving: (1) abuse, neglect, abandonment, exploitation, or unlawful harassment of a child; (2) abuse or unlawful harassment of a family or household member; and (3) that a parent used or frustrated the dispute resolution process without good reason.

A mediator is not allowed to make a report regarding a mediation to a court, administrative agency, or other authority that may make a ruling on the dispute that is the subject of the mediation. The UMA requires prospective mediators to disclose conflicts of interest to the parties and answer the parties' questions about qualifications. A party has a right to be accompanied by a support person and have the person participate in the mediation. If the dispute is the subject of a pending small claims action, the person may not be represented by an attorney at the mediation, unless chapter 12.40 RCW allows it. Whenever any part participates in mediation conducted by a state or federal agency under the provisions of a collective bargaining law or similar statute, the agency's rules govern questions of privilege and confidentiality.

Regardless of any provision to the contrary in chapter 42.17 RCW, the open records act, all work products or case files of dispute resolution centers are confidential and privileged unless a court, or administrative tribunal, determines that the materials were submitted by a participant to the center for the purpose of avoiding discovery of the material. The effective date is January 1, 2006.

Effective Date: January 1, 2006

**SB 5391: Tricare supplemental insurance policy to certain public employees
Chapter 46, Laws of 2005**

Background: TRICARE is the U.S. Department of Defense's (DOD) worldwide health care program for uniformed service members and their families. The Public Employee Benefits Board (PEBB) provides health coverage for state and other public employees.

TRICARE coverage is available to service members upon their retirement, even if they subsequently become employed. Reportedly, however, many of those who are subsequently employed by the state or other public employers choose PEBB coverage instead.

Current law does not allow PEBB to offer other than a comprehensive health benefit plan. It is suggested that if PEBB were allowed to offer a TRICARE supplement, retired military personnel employed by the state would retain their DOD funded TRICARE coverage, leaving the state to pay only for the less costly supplemental benefits.

Summary of Bill: The Health Care Authority may make available a TRICARE supplemental insurance policy to employees who are eligible

Effective Date: July 24, 2005

**SSB 5497: Terminally ill members to remove themselves from their retirement plan.
Chapter 131, Laws of 2005**

Background: The Public Employees', Teachers', and School Employees' Retirement Systems (PERS, TRS, and SERS) each have two types of plans. Plans 1 and 2 are defined benefit plans, while Plan 3 consists of a defined benefit portion and a defined contribution portion.

Until separation from employment, all active members of PERS, TRS, and SERS earn service credit and must make contributions toward their retirement system. Members of PERS 1/2, TRS 1/2, and SERS 2 who leave employment before retirement can either withdraw their own contributions plus investment income, or they can leave their contributions in the retirement system up until reaching retirement age. Members of PERS 3, TRS 3, or SERS 3 may withdraw the amounts in their defined contribution account at any time after separation.

Federal law generally precludes a member from receiving both a pension benefit and salary from an employer.

Summary of Bill: A member of PERS 2/3, TRS 2/3, or SERS 2/3 may voluntarily be removed from membership in the pension plan if: (1) the medical adviser certifies that the member has a terminal illness with a life expectancy of five years or less; and (2) the Director agrees with the recommendation of the medical adviser.

Members who are removed from the retirement system continue their employment but do not make retirement contributions and do not accumulate additional service credit in the retirement plan.

Effective Date: April 21, 2005

**SB 5522: Service credit lost due to injury.
Chapter 363, Laws of 2005**

Background: The Public Employees' Retirement System (PERS) Plans 1, 2, and 3 provide retirement benefits to most Washington State and local government employees. Each plan includes provisions for members to purchase service credit for periods of leave from employment, such as temporary leave for disabilities and for periods of state service interrupted by periods of military service. Depending on the plan and the type of optional service a member has earned, the member may have to make contributions to the retirement systems to claim the service credit.

Members of PERS who become disabled in the line of duty and are receiving benefits from the Department of Labor and Industries can continue to earn service credit for up to 12 months if they pay employee contributions based upon the regular compensation the member would have received had the disability not occurred. Employer contributions will be collected by the Department of Retirement Systems (DRS) for the service related to contributions made by the disabled employee. If contributions are made retroactively, interest is charged on both the employee and employer contributions at a rate determined by the Director of DRS. This provision is not available to members who separate from employment.

Summary of Bill: The period of unearned service credit that a member of PERS may purchase related to an injury incurred in the line of duty is increased from 12 months to 24 months.

Effective Date: July 24, 2005

**SB 5850: Definition of "sick leave" for family leave.
Delivered to the Governor**

Background: If under the terms of either a collective bargaining agreement or an employer policy, the employee is entitled to sick leave or other paid time off, the employer must allow the employee to use any sick leave or other paid time off, to care for a sick child or a spouse, parent, parent-in-law, or grandparent of the employee who has a serious health or emergency condition.

Summary Bill: If an employee does not have paid time off for illness, the term "sick leave or other paid time off" in the Family Care Act also means time allowed to an employee under a disability policy as long as the policy is not covered by the Employee Retirement Income Security Act of 1974 (ERISA) and the disability policy is not established or maintained through the purchase of insurance. The definition of "parent" is amended to include adoptive parents.

Effective Date: July 24, 2005

Summary of Budget Legislation

Comparison of 2005-07 Budgets WSDOT Proposed vs. Enacted

(in thousands of dollars)

Note 1. To make the budgets more comparable, the WSDOT budget is adjusted to include interagency transfers, workers comp., pension rate changes, and compensation changes that are in the enacted budget. The WSDOT budget also includes requested reappropriations that are not in the original WSDOT budget proposal. Adjustments to the WSDOT proposed budget are shown as shaded cells.

Note 2. Excluded are Program E, the transportation Equipment Fund, and a \$175K non-appropriated fund adjustment in Program S.

Note 3. Included in Program Z-capital is a \$17.7M reappropriation from the Omnibus Capital Budget for Columbia River dredging.

Note 4. The enacted budget includes the governor's vetos.

Capital Budget

Program D (Capital): Capital Facilities

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		17,186	17,186	0
Carry Forward Changes		(17,186)	(17,186)	0
40 Reappropriation Adjustment		129		(129)
0A Statewide Administration	Staff for designing and managing facilities projects	602	602	0
0B Regional Minor Projects	Minor additions and upgrades to existing facilities	1,260	632	(628)
0C Ephrata Area Maintenance Facility	Design replacement maint. facility for Ephrata	224	224	0
0D Spokane Street Maintenance Facility	Design of new maintenance facility in Seattle	3,370	219	(3,151)
H99 Shared Services	OFM costs currently billed to WSDOT	(1)	(1)	0
3Y Middle Management Reduction		0	(17)	(17)
DA Capital Facilities COP Financing	Ephrata maintenance facility, Vancouver light industrial and Olympic Region HQ projects.	2,268	833	(1,435)
2005-07 Total Proposed Budget		7,852	2,492	(5,360)

Program I₀₁: Highway Improvement--Mobility

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		722,746	722,746	0
Carry Forward Changes		(722,746)	(722,746)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(79)	(79)	0
AA1 Reappropriation Adjustment		48,065	48,065	0
9N Contractual Obligation Adj	Capital work in progress	682,943	669,943	(13,000)
3Y Middle Management Reduction			(966)	(966)
I01 New Law Improvements			442,398	442,398
IA Highway Construction Improvements	Highway improvement projects	309,532	529,964	220,432
Governor veto of section 305, paragraph 1(e), page 30 of the appropriation bill for Eastern WA freight corridor study.			(500)	(500)
2005-07 Total Proposed Budget		1,040,461	1,688,825	648,364

Program I₀₂: Highway Improvement--Safety

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		146,951	146,951	0
Carry Forward Changes		(146,951)	(146,951)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(14)	(14)	0
AA1 Reappropriation Adjustment		9,173	9,173	0
9N Contractual Obligation Adj	Capital work in progress	58,547	58,547	0
3Y Middle Management Reduction		0	(251)	(251)
I01 New Law Improvements			60,152	60,152
IA Highway Construction Improvements	Highway improvement projects	71,334	78,477	7,143
2005-07 Total Proposed Budget		139,040	206,084	67,044

Comparison of 2005-07 Budgets WSDOT Proposed vs. Enacted

(in thousands of dollars)

Program I₀₃ : Highway Improvement--Economic Initiatives

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		109,180	109,180	0
Carry Forward Changes		(109,180)	(109,180)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(8)	(8)	0
AA1 Reappropriation Adjustment		1,086	1,086	0
9N Contractual Obligation Adj	Capital work in progress	56,565	56,565	0
3Y Middle Management Reduction		0	(108)	(108)
I01 New Law Improvements			4,971	4,971
IA Highway Construction Improvements	Highway improvement projects	19,422	33,934	14,512
2005-07 Total Proposed Budget		77,065	96,440	19,375

Program I₀₄ : Highway Improvement--Environmental Retrofit

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		20,638	20,638	0
Carry Forward Changes		(20,638)	(20,638)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(2)	(2)	0
AA1 Reappropriation Adjustment		2,000	2,000	0
9N Contractual Obligation Adj	Capital work in progress	6,714	6,514	(200)
IA Highway Construction Improvements	Highway improvement projects	18,996	18,895	(101)
3Y Middle Management Reduction		0	(24)	(24)
I01 New Law Improvements			12,265	12,265
2005-07 Total Proposed Budget		27,708	39,648	11,940

Sum of Programs I₀₁, I₀₂, I₀₃, I₀₄		1,284,274	2,030,997	746,723
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Program I₀₇ : Highway Improvement--Tacoma Narrows Bridge

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		603,992	603,992	0
Carry Forward Changes		(603,992)	(603,992)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(3)	(3)	0
9N Contractual Obligation Adj	Capital work in progress	278,705	272,429	(6,276)
3Y Middle Management Reduction		0	(97)	(97)
2005-07 Total Proposed Budget		278,702	272,329	(6,373)

Program P₀₁ : Preservation--Roadway

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		250,814	250,814	0
Carry Forward Changes		(250,814)	(250,814)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(31)	(31)	0
AA1 Reappropriation Adjustment		332	332	0
9N Contractual Obligation Adj.	Capital work in progress	91,441	91,441	0
3Y Middle Management Reduction		0	(415)	(415)
PA Highway Construction Preservation	Highway preservation projects	153,336	148,749	(4,587)
2005-07 Total Proposed Budget		245,078	240,076	(5,002)

Comparison of 2005-07 Budgets

WSDOT Proposed vs. Enacted

(in thousands of dollars)

Program P₀₂ : Preservation--Structures

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		398,917	398,917	0
Carry Forward Changes		(398,917)	(398,917)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(29)	(29)	0
AA1 Reappropriation Adjustment		11,000	11,000	0
9N Contractual Obligation Adj	Capital work in progress	172,704	127,704	(45,000)
3Y Middle Management Reduction		0	(194)	(194)
PA Highway Construction Preservation	Highway preservation projects	79,904	66,222	(13,682)
P01 New Law Preservation			139,033	139,033
2005-07 Total Proposed Budget		263,579	343,736	80,157

Program P₀₃ : Preservation--Other Facilities

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		82,041	82,041	0
Carry Forward Changes		(82,041)	(82,041)	0
0H Attorney General Fees	Expenses for "Boldt Phase 2" or "the culverts case"	0	424	424
H99 Shared Services	OFM costs currently billed to WSDOT	(10)	(10)	0
AA1 Reappropriation Adjustment		530	530	0
8E Interagency Rate Changes	Increased charges from Attorney General	91	0	(91)
90 Central Service Agency Charges	Increased charges from other state agencies	0	8	8
9N Contractual Obligation Adj	Capital work in progress	9,771	9,771	0
3Y Middle Management Reduction		0	(144)	(144)
PA Highway Construction Preservation		53,607	54,604	997
2005-07 Total Proposed Budget		63,989	65,183	1,194

Total Preservation, Programs P₀₁, P₀₂, and P₀₃

572,646 648,995 76,349

Program Q: Traffic Operations (Capital)

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		29,198	29,198	0
Carry Forward Changes		(29,198)	(29,198)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(1)	(1)	0
AA1 Reappropriation Adjustment		6,046	6,046	0
9N Contractual Obligation Adj	Capital work in progress	4,563	4,563	0
3Y Middle Management Reduction		0	(32)	(32)
QA Special Advanced Technology Prjcts	ITS and CVISN projects.	22,537	22,119	(418)
2005-07 Total Proposed Budget		33,145	32,695	(450)

Program W: Ferries Construction

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		197,590	197,590	0
Carry Forward Changes		(197,590)	(197,590)	0
17 / AA1 Ferries Smart Card	Reappropriation	1,266	1,266	0
H99 Shared Services	OFM costs currently billed to WSDOT	(9)	(9)	0
AA1 Reappropriation Adjustment		22,531	22,531	0
8E Interagency Rate Changes	For increased charges from OFM	10		(10)
9N Contractual Obligation Adj	Capital work in progress	134,931	134,931	0
3Y Middle Management Reduction			(194)	(194)
1X0 Passenger Only Ferry			3,000	3,000
WA Ferries Construction	Preservation & improvements to ferries & terminals	107,622	99,888	(7,734)
2005-07 Total Proposed Budget		266,351	261,413	(4,938)

Note: Adjustments were made between budget items to make the proposals comparable.

Comparison of 2005-07 Budgets

WSDOT Proposed vs. Enacted

(in thousands of dollars)

Program Y: Rail--Capital

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		56,475	56,475	0
Carry Forward Changes		(56,475)	(56,475)	0
AA1 Reappropriation Adjustment		15,058	15,058	0
9N Contractual Obligation Adj		6,478	6,478	0
1B Produce Railcar Program			1,000	1,000
1Y1 New Law - Passenger Rail			10,500	10,500
1Y2 New Law - Freight Rail			16,700	16,700
SY2 Eastern Skagit Rail Study			50	50
3Y Middle Management Reduction			(7)	(7)
YA Rail - Capital		32,882	37,882	5,000
2005-07 Total Proposed Budget		54,418	87,661	33,243

Note: Adjustments were made between budget items to make the proposals comparable.

Program Z: Local Programs--Capital

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		53,781	53,781	0
Carry Forward Changes		(53,781)	(53,781)	0
AA1 Reappropriation Adjustment		46,207	1,869	(44,338)
9N Contractual Obligation Adj	Capital work in progress--freight mobility projects	10,580		(10,580)
S01 Local Freight Projects			46,991	46,991
T01 Columbia River Dredge Reapprop.			3,545	3,545
T02 Everett Satellite Barge Facility	Omnibus capital item moved to transportation budget	12,050	12,050	0
T08 Local Road Projects			3,470	3,470
T31 Seawall Section			3,000	3,000
T36 Historical Preservation Project			2,000	2,000
ZA Local Programs - Capital	New projects	7,827	1,809	(6,018)
Subtotal Before Omnibus Capital Items		76,664	74,734	(1,930)
Omnibus Capital Budget Reappropriation--Columbia River dredging		17,700	17,700	0
2005-07 Total Proposed Budget		94,364	92,434	(1,930)
Subtotal Capital Budget		2,591,752	3,429,016	837,264

Comparison of 2005-07 Budgets

WSDOT Proposed vs. Enacted

(in thousands of dollars)

Operating Budget

Program B: Tacoma Narrows Bridge Toll Operations and Maintenance

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		0	0	0
Carry Forward Changes		0	0	0
94 Mandatory Workload Adjustments	Tacoma Narrows Bridge toll facility, mnt. & oper.	8,600	8,600	0
3Y Middle Management Reduction			(116)	(116)
9D Pension Rate Changes		59	59	0
HSU Suspend Plan 1 UAAL Contributions		(48)	(48)	0
8T COLA-Non-represented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	74	74	0
L10 Legislative Health Benefits Adj.		20	20	0
L12 Non-represented Salary Survey		10	10	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	16	16	0
2005-07 Total Proposed Budget		8,731	8,615	(116)

Program C: Information Technology

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		68,929	68,929	0
Carry Forward Changes		(5,641)	(5,641)	0
17 Ferries Smart Card / AA1 2003-05 Reapprop.	Reappropriation	456	328	(128)
H99 Shared Services	OFM costs currently billed to WSDOT	(17)	(17)	0
91 Workers Compensation Changes		46	46	0
9D Pension Rate Changes		1,048	1,048	0
HSU Suspend Plan 1 UAAL Contributions		(570)	(570)	0
8E Interagency Rate Changes	Increased charges from Attorney General	1		(1)
9Q Equip Maintenance/Software licenses	Software maintenance and license fees	670	155	(515)
9S Equipment Replacement Costs	Computer infrastructure replacement equip.	500	500	0
9T Transfers	Transfer state funds to replace federal funds for Project Delivery Information System.	(40)	0	40
3Y Middle Management Reduction			(365)	(365)
CA Public Information Systems Upgrade	Replace servers and key network components	1,560	0	(1,560)
CB Critical Computer Applic. Assessment	Assess DOT systems vs. state systems	715	350	(365)
8T COLA-Non-represented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	422	422	0
L10 Legislative Health Benefits Adj.		357	357	0
L11 Rep. Legislative Salary Survey Adj.		10	10	0
L12 Non-represented Salary Survey		580	580	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	688	688	0
CC Records Mgmt Imaging System	Statewide image management system	168		(168)
CD Proj. Scoping & Dvlpmnt Data Integr	Geographic Information System	150		(150)
XB Eagle Harbor Hydraulic System Supp.	Technology to maintain ferry hydraulic machinery	37	15	(22)
XC Ferries Environmental Program	Ferries environmental management & strategy	9		(9)
2005-07 Total Proposed Budget		70,078	66,835	(3,243)

Comparison of 2005-07 Budgets

WSDOT Proposed vs. Enacted

(in thousands of dollars)

Program D (Operating): Facilities Maintenance & Operations

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		31,056	31,056	0
Carry Forward Changes		571	571	0
H99 Shared Services	OFM costs currently billed to WSDOT	(6)	(6)	0
91 Workers Compensation Changes		18	18	0
9D Pension Rate Changes		314	314	0
8Y Other Rate Adjustments	Utilities, janitorial and contract maintenance	825	0	(825)
9S Equipment Replacement Costs	Headquarters Data Center heating /cooling sys.	290	290	0
9Y Other ML Adjustments	Legal costs for Palermo well field clean up.	500	500	0
3Y Middle Management Reduction		0	(113)	(113)
8Q Classification Revisions		10	10	0
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	155	155	0
HSU Suspend Plan 1 UAAL Contributions		(164)	(164)	0
L10 Legislative Health Benefits Adj.		124	124	0
L11 Rep. Legislative Salary Survey Adj.		251	251	0
L12 Non-Represented Salary Survey		324	324	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	169	169	0
2005-07 Total Proposed Budget		34,437	33,499	(938)

Program F: Aviation

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		8,025	8,025	0
Carry Forward Changes		(490)	(490)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(1)	(1)	0
9D Pension Rate Changes		42	42	0
HSU Suspend Plan 1 UAAL Contributions		(24)	(24)	0
3Y Middle Management Reduction			(19)	(19)
H25 SSB 5414 Aviation Fees and Taxes	Airport paving from SSB 5414 revenue		433	433
H27 ESSB 5121 Airport Studies	Fed funds for ESSB 5121 - airport studies		1,000	1,000
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	32	32	0
L10 Legislative Health Benefits Adj.		16	16	0
L12 Non-Represented Salary Survey		18	18	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	12	12	0
Lapsed funding for search and rescue	Section 217, paragraph 1b (Page. 16) of the appropriation bill provided that the \$262K appropriation for the aircraft search and rescue account would lapse if SSB 5414 became law.		(262)	(262)
2005-07 Total Proposed Budget		7,630	8,782	1,152

Comparison of 2005-07 Budgets

WSDOT Proposed vs. Enacted

(in thousands of dollars)

Program H: Program Delivery, Management and Support

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		49,618	49,618	0
Carry Forward Changes		386	386	0
94 Mandatory Workload Adjustments	Transportation Permit Efficiency Accountability Committee (TPEAC) will sunset 3/31/06	(1,625)	(1,625)	0
8E Interagency Rate Changes	Increased charges from Attorney General	3		(3)
H99 Shared Services	OFM costs currently billed to WSDOT	(20)	(20)	0
91 Workers Compensation Changes		40	40	0
9D Pension Rate Changes		1,234	1,234	0
0Z OMWBE Cost Transfer	Transfers disadvantaged business enterprise program to Program U.		(925)	(925)
3Y Middle Management Reduction			(1,102)	(1,102)
AA3 Washington Biodiversity Council	For biodiversity conservation.		250	250
AA4 Permit Delivery Activities	For participation in TPEAC activities		300	300
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	896	896	0
HSU Suspend Plan 1 UAAL Contributions		(624)	(624)	0
L10 Legislative Health Benefits Adj.		384	384	0
L11 Rep. Legislative Salary Survey Adj.		100	100	0
L12 Non-Represented Salary Survey		531	531	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	268	268	0
2005-07 Total Proposed Budget		51,191	49,711	(1,480)

Program K: Transportation Economic Partnerships

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		1,014	1,014	0
Carry Forward Changes		6	6	0
9D Pension Rate Changes		32	32	0
HSU Suspend Plan 1 UAAL Contributions		(17)	(17)	0
3Y Middle Management Reduction		0	(27)	(27)
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	30	30	0
L10 Legislative Health Benefits Adj.		9	9	0
L12 Non-Represented Salary Survey		18	18	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	3	3	0
2005-07 Total Proposed Budget		1,095	1,068	(27)

Program M: Highway Maintenance & Operations

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		290,985	290,985	0
Carry Forward Changes		(580)	(580)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(104)	(104)	0
8E Interagency Rate Changes	Increased charges from Attorney General	3	0	(3)
91 Workers Compensation Changes		284	284	0
9D Pension Rate Changes		4,561	4,561	0
HSU Suspend Plan 1 UAAL Contributions		(2,482)	(2,482)	0
3Y Middle Management Reduction		0	(824)	(824)
8Q Classification Revisions		4	4	0
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	684	684	0
L10 Legislative Health Benefits Adj.		2,148	2,148	0
L11 Rep. Legislative Salary Survey Adj.		470	470	0
L12 Non-Represented Salary Survey		626	626	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	4,367	4,367	0
MA Work Zone Safety	For increased traffic volumes and traffic speed.	4,700	2,250	(2,450)
2005-07 Total Proposed Budget		305,666	302,389	(3,277)

Comparison of 2005-07 Budgets

WSDOT Proposed vs. Enacted

(in thousands of dollars)

Program Q: Traffic Operations (Operating)

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		39,178	39,178	0
Carry Forward Changes		3,558	3,558	0
H99 Shared Services	OFM costs currently billed to WSDOT	(17)	(17)	0
8E Interagency Rate Changes	Increased charges from Attorney General	1	0	(1)
91 Workers Compensation Changes		48	48	0
9D Pension Rate Changes		942	942	0
HSU Suspend Plan 1 UAAL Contributions		(486)	(486)	0
3Y Middle Management Reduction			(300)	(300)
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	294	294	0
L10 Legislative Health Benefits Adj.		351	351	0
L11 Rep. Legislative Salary Survey Adj.		271	271	0
L12 Non-Represented Salary Survey		484	484	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	666	666	0
2005-07 Total Proposed Budget		45,290	44,989	(301)

Program S: Transportation Management & Support

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		27,394	27,394	0
Carry Forward Changes		(649)	(649)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(11)	(11)	0
8E Interagency Rate Changes	Increased charges from OFM (\$190K) and Attorney General (\$4K)	194	0	(194)
91 Workers Compensation Changes		32	32	0
9D Pension Rate Changes		696	696	0
HSU Suspend Plan 1 UAAL Contributions		(363)	(363)	0
3Y Middle Management Reduction		0	(420)	(420)
8Q Classification Revisions		4	4	0
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	500	500	0
L10 Legislative Health Benefits Adj.		252	252	0
L11 Rep. Legislative Salary Survey Adj.		14	14	0
L12 Non-Represented Salary Survey		132	132	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	177	177	0
2005-07 Total Proposed Budget		28,372	27,758	(614)

Comparison of 2005-07 Budgets

WSDOT Proposed vs. Enacted

(in thousands of dollars)

Program T: Transportation Planning, Data & Research

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		47,946	47,946	0
Carry Forward Changes		(7,990)	(7,990)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(14)	(14)	0
AA1 2003-05 Reapprop.	Reappropriation	500	500	0
91 Workers Compensation Changes		36	36	0
9D Pension Rate Changes		864	864	0
HSU Suspend Plan 1 UAAL Contributions		(465)	(465)	0
3Y Middle Management Reduction			(195)	(195)
28 Local Collision Records Backlog			175	175
AB1 ESSHB 1565 Multi Modal Concurrency			150	150
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	430	430	0
L10 Legislative Health Benefits Adj.		308	308	0
L11 Rep. Legislative Salary Survey Adj.		269	269	0
L12 Non-Represented Salary Survey		915	915	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	463	463	0
T10 RTIA			6,900	6,900
T12 High Speed Rail Study	Implementation of SSHB 1565		50	50
Funding lapse for toll feasibility study	Section 223, paragraph 2 of the appropriation bill provisoed \$4.9M based on HB 2157, or SB 6089 becoming law. They did not pass the legislature.		(4,900)	(4,900)
2005-07 Total Proposed Budget		43,262	45,442	2,180

Program U: Charges From Other Agencies

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		54,738	54,738	0
Carry Forward Changes		(54,738)	(54,738)	0
0Z / U08 OMWBE Cost Transfer	Office of Minority and Women's Business Enterprises. Transfer from Program H	252	1,114	862
U01 Auditing Services		819	1,017	198
U02 Archives & Records Mgmt.		583	545	(38)
U03 GA - Facilities & Services		3,603	2,871	(732)
U04 GA - Consolidated Mail		882	1,178	296
U05 GA - Capital Projects Surcharge		1,846	1,717	(129)
U06 Risk Management		848	1,667	819
U07 Self Insurance Premiums		33,799	31,749	(2,050)
U09 Personnel Services		3,320	3,572	252
2005-07 Total Proposed Budget		45,952	45,430	(522)

Comparison of 2005-07 Budgets

WSDOT Proposed vs. Enacted

(in thousands of dollars)

Program V: Public Transportation

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		49,794	49,794	0
Carry Forward Changes		(3,274)	(3,274)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(2)	(2)	0
9D Pension Rate Changes		122	122	0
HSU Suspend Plan 1 UAAL Contributions		(56)	(56)	0
9Y Other ML Adjustments	Commute Trip Reduction program	100	0	(100)
94 Mandatory Workload Adjustment / 0J Expanded Grant Program		5,000	5,000	0
3Y Middle Management Reduction			(51)	(51)
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	65	65	0
L10 Legislative Health Benefits Adj.		35	35	0
L11 Rep. Legislative Salary Survey Adj.		34	34	0
L12 Non-Represented Salary Survey		118	118	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	42	42	0
SCC Seattle Street Car			3,000	3,000
SV1 Inter-county connection grants	Transit agency connection service		2,000	2,000
V03 Expanded Paratransit Grant Pgm.	Special needs transportation		5,000	5,000
V04 Flex Car Program			2,000	2,000
V05 HB 2124 Public Transportation			1,200	1,200
2005-07 Total Proposed Budget		51,978	65,027	13,049

Program X: Ferries Maintenance & Operations

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		318,804	318,804	0
Carry Forward Changes	Conference budget cuts \$5,029 for Vashon-Seattle passenger service from carry forward level.	740	(4,289)	(5,029)
8E Interagency Rate Changes	Increased charges from Attorney General	12	0	(12)
8F Fuel Rate Adjustment		3,716	22,900	19,184
8Y Other Rate Adjustments	Insurance premium increase-Willis Corp.	1,336	480	(856)
91 Workers Compensation Changes		328	328	0
9D Pension Rate Changes		5,980	5,980	0
HSU Suspend Plan 1 UAAL Contributions		(3,310)	(3,310)	0
98 General Inflation		1,649	0	(1,649)
9Y Other ML Adjustments	Incremental cost for larger Seattle/Bremerton ferry	377	377	0
3Y Middle Management Reduction			(300)	(300)
8Q Classification Revisions		9	9	0
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	6,147	6,147	0
L10 Legislative Health Benefits Adj.		2,606	2,606	0
L11 Rep. Legislative Salary Survey Adj.		18	18	0
L12 Non-Represented Salary Survey		271	271	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	33	33	0
SVS Vashon-Seattle Passenger Only			3,660	3,660
XA Terminal Supervisor Wage Increase		300		(300)
XB Eagle Harbor Hydraulic System Supp.	Workload increases for hydraulic maintenance.	890	400	(490)
XC Ferries Environmental Program	Leadership position for ferries environment team	196		(196)
2005-07 Total Proposed Budget		340,102	354,114	14,012

Comparison of 2005-07 Budgets

WSDOT Proposed vs. Enacted

(in thousands of dollars)

Program Y: Rail--Operating

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		34,121	34,121	0
Carry Forward Changes		(765)	(765)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(1)	(1)	0
8E Interagency Rate Changes	Increased charges from Attorney General	2	0	(2)
9D Pension Rate Changes		54	54	0
HSU Suspend Plan 1 UAAL Contributions		(31)	(31)	0
94 Mandatory Workload Adj.	An additional Seattle-Portland Amtrak round trip.			
0G Additional Rail Service	WSDOT requested funding beginning July 2005.	5,500	2,750	(2,750)
	Conference funding starts July 2006.			
1B Produce Railcar Program	Operating costs		200	200
1Y0 Statewide Rail Study	Operating costs			0
3Y Middle Management Reduction			(50)	(50)
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	51	51	0
L10 Legislative Health Benefits Adj.		17	17	0
L11 Rep. Legislative Salary Survey Adj.		2	2	0
L12 Non-Represented Salary Survey		66	66	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	6	6	0
2005-07 Total Proposed Budget		39,022	36,420	(2,602)

Program Z: Local Programs--Operating

Budget Item	Notes	WSDOT	Enacted	Diff.
2003-05 Budget		9,659	9,659	0
Carry Forward Changes		(170)	(170)	0
H99 Shared Services	OFM costs currently billed to WSDOT	(3)	(3)	0
91 Workers Compensation Changes		8	8	0
9D Pension Rate Changes		242	242	0
HSU Suspend Plan 1 UAAL Contributions		(111)	(111)	0
01Z Interstate Highway Flood Studies	City / county / interstate highway flood hazards. .		422	422
3Y Middle Management Reduction			(176)	(176)
8T COLA-Nonrepresented	Pay increase: 3.2% on 9/1/05 and 1.6% on 9/1/06.	169	169	0
L10 Legislative Health Benefits Adj.		66	66	0
L11 Rep. Legislative Salary Survey Adj.		6	6	0
L12 Non-Represented Salary Survey		605	605	0
L8R COLA-Represented	Pay increase: 3.2% on 7/1/05 and 1.6% on 7/1/06.	38	38	0
2005-07 Total Proposed Budget		10,509	10,755	246

Subtotal Operating Budget

		1,083,315	1,100,834	17,519
Total Budget		3,675,067	4,529,850	854,783

Summary of 2005 Funding Package

Washington's Future Just Got Better

What does the 2005 Funding Package promise for future transportation investment in Washington?

The 2005 Washington State Legislature provided a 16-year expenditure plan to take care of some of Washington State's most critical transportation needs. Over 270 projects will be funded by this package that will make roads and bridges safer as well as ease choke points on the system.

2005 Transportation Funding Package	
Projected 16-Year Proceeds (dollars in millions)	
New Funding Restricted to Highway Use (18th Amendment)	
9.5¢ Gas Tax Increase (phased in over four years)	\$5,546
Trucks under 8,000 lbs.	341
Vehicle License Plate Fees	227
Interest Income	38
Total Cash Revenue Projected Over 16 Years	6,152
Less for 16 Years Total Annual Debt Service on New Bonds	-3,994
Net Available for Cash Funding for Investments	2,158
Net Available for Cash Funding for Investments	\$2,158
Proceeds of Bonds for the Program to be Repaid from Revenues	5,100
Total Investment for 18th Amendment Restricted Funds	\$7,258
New Funding Available for Any Transportation Investment	
Vehicle Weight Fee	\$908
Motor Homes	130
Drivers Licenses and Related Service Fees	179
Total Investment for Non-Restricted Funds	\$1,217
Total 16-Year Funds Available for Investment	\$8,475

Totals may not add due to rounding

Where will the revenue come from?

Gas Tax increased by 9.5¢ (phased in over 4 years)

- 3.0¢ in July 2005
- 3.0¢ in July 2006
- 2.0¢ in July 2007
- 1.5¢ in July 2008

New Vehicle Weight Fees imposed on passenger cars

- \$10 for vehicles under 4,000 pounds
- \$20 for vehicles between 4,000 and 6,000 pounds
- \$30 for vehicles between 6,000 and 8,000 pounds

Increased Combined License Fees for Light Trucks

- \$10 for trucks under 4,000 pounds
- \$20 for trucks between 4,000 and 6,000 pounds
- \$30 for trucks between 6,000 and 8,000 pounds
- Farm Vehicles are exempt from this increase

\$75 Fee for all Motor Homes

Fees increased for various Drivers' License Services*

- Original and Renewal License Application increased to \$20 (previously \$10)
- Identical cards, Driver Permits, and Agricultural Permits increased to \$20 (previously \$15)
- Commercial Driver License and Renewal increased to \$30 (previously \$20)
- License Reinstatement increased to \$75 (previously \$20)
- DUI Hearing increased to \$200 (previously \$100)

Fees Increased for various License Plate Charges

- Reflectorized Plate Fee increased to \$2 per plate (previously 50¢ per plate)
- Replacement Plates increased to \$10 (previously \$3)

*Vehicle and Driver Services fees were increased to cover cost of issuance; Personal use trailer license fees were reduced from \$30 to \$15.

How will the new revenue sources translate into typical annual costs for typical Washington drivers?

The Gas Tax increase:

If you drive 12,000 miles a year, how much will the new gas tax add-ons cost you each year?

Annual Cost of the 4 Year Phase-in of the New Gas Tax (12,000 Miles/year)				
Miles per gallon	July 2005 3¢ increase	July 2006 additional 3¢ increase total 6¢	July 2007 additional 2¢ increase total 8¢	July 2008 additional 1.5¢ increase total 9.5¢
10	36	72	96	114
16	23	45	60	71
20	18	36	48	57
22*	16	33	44	52
26	14	28	37	44
30	12	24	32	38
34	11	21	28	34
36	10	20	27	32
40	9	18	24	29

*Typical Ford Taurus - 20 mpg city, 27 mpg highway
(www.fueleconomy.gov)

For a car that gets an average of 22 miles per gallon, driving 12,000 miles a year you will pay an additional \$16 per year in 2005, \$33 in 2006, \$44 in 2007 and finally by 2008 you will be paying \$52 per year for the new gas tax.

New Weight Fees for Passenger Vehicles

All passenger cars are charged a \$30 license fee. Passenger cars will now pay an additional weight fee.

How much will the new vehicle weight fee cost?

The following tables give vehicle examples for the three weight classifications. Most of Washington's passenger vehicles (84%) fall into the \$10 weight fee range.

\$10 Weight Fee 84% of Washington's cars are under 4,000 pounds

Chevrolet Cavalier	2,838 lbs
Ford Taurus	3,285 lbs
Jeep Grand Cherokee	3,900 lbs

\$20 Weight Fee 15% of Washington's cars are between 4,000 and 6,000 pounds

Lincoln Town Car	4,020 lbs
Buick Roadmaster	4,563 lbs
Lincoln Navigator	5,350 lbs

\$30 Weight Fee 1% of Washington's cars are between 6,000 and 8,000 pounds

Ford E-350 Super Club Wagon	6,030 lbs
Hummer	7,213 lbs
Ford Excursion	7,770 lbs

Increases to the Combined License Fees for Light Trucks

How much more is the combined license fee for your light truck?

Combined License Fees for light trucks increased according to gross weight. Gross weight is determined by the consumer and is based on vehicle curb weight plus anticipated hauling weight needs. The following tables give examples for the three weight classifications. Most light trucks (54%) fall into the \$20 weight fee range.

\$10 Increase (\$40 total) 20% of Washington's light trucks are under 4,000 lbs

Ford Ranger
Nissan

\$20 Increase (\$50 total)
54% of Washington's light trucks are between 4,000 and 6,000 lbs

Chevrolet Extended Cab 1/2 Ton
Ford Extended Cab 1/2 Ton
Dodge 1/2 Ton

\$30 Increase (\$60 total)
26% of Washington's light trucks are between 6,000 and 8,000 pounds

GMC 3/4 Ton 4X4 Extra Cab
Chevrolet 3/4 Ton 4X4 Extended Cab

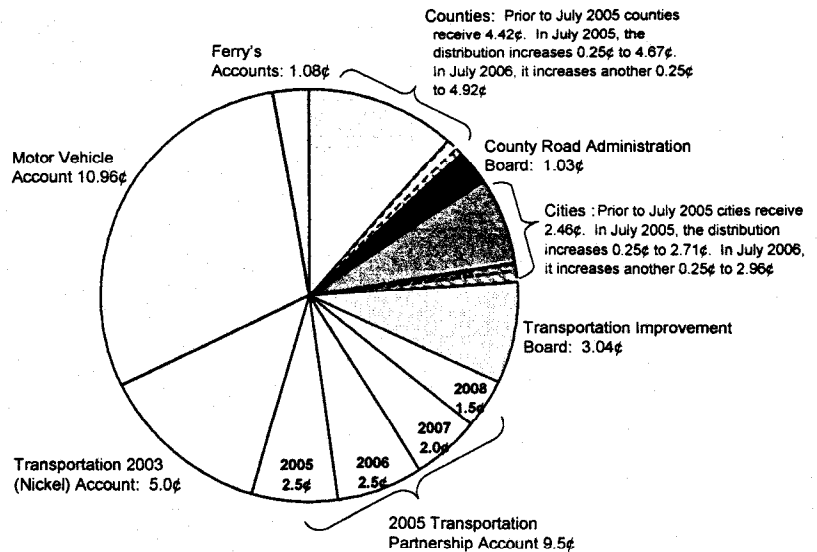
When all the new revenues are in place, how will the state's total gas tax amounts be distributed?

Collected at the state level, the gas tax is distributed by statutory formula. The gas tax is covered by the 18th Amendment of the State Constitution and can only be used for highway purposes. (State ferries are considered highways)

Cities and Counties currently receive a statutory distribution of the gas tax. The 2005 Funding Package provides an additional distribution to local governments. Cities and Counties will each receive a quarter of a cent from the first 3¢ increase in 2005, and another quarter of a cent each from the second increase in 2006 (totaling ½¢ for each). Like the state, Cities and Counties must use these funds for highway purposes.

The state (WSDOT) receives the remaining 2½¢ from the 2005 and 2006 increases, 2¢ from the 2007 increase, and 1½¢ from the 2008 increase (totaling 8½¢).

Statutory Distribution of the 37.5¢ Gas Tax 2008 (31¢ in 2005, 34¢ in 2006, 36¢ in 2007 and 37.5¢ in 2008)

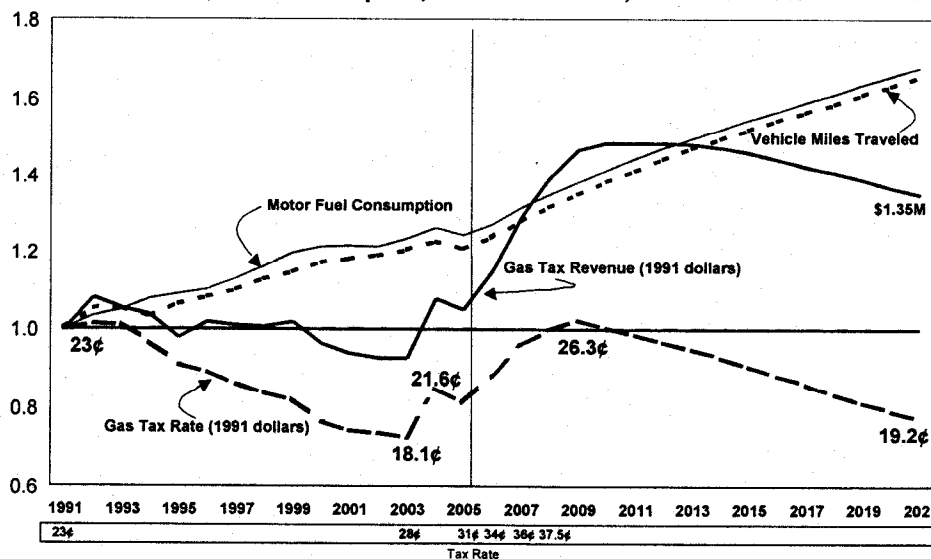


The pie chart displays the new statutory distribution of the gas tax, through 2008.

How will Washington's gas tax serve future transportation needs?

Looking at the gas tax over a period of time, from 1991 (when the gas tax was raised to 23¢/gal) out to 2021, the effect of inflation is clearly evident. The value (in 1991 dollars) of the 23¢ dips to a low of 18.1¢ in 2003, then rises to 21.6¢ when the nickel tax is added in 2004, then starts to decline again until 2005 when the new tax is implemented. It is projected to continue to rise through 2009 when it will reach a high of 26.3¢. The value then will start to decline again, reaching a projected 1991 purchasing power value of 19.2¢ in 2021. Revenues from the gas tax (expressed in 1991 purchasing power) follow the same trend line. However motor fuel consumption and vehicles miles traveled continue to grow at a consistent rate over time.

Growth Rates Compared
VMT, Fuel Consumption, Gas Tax Revenue, & Gas Tax Rate



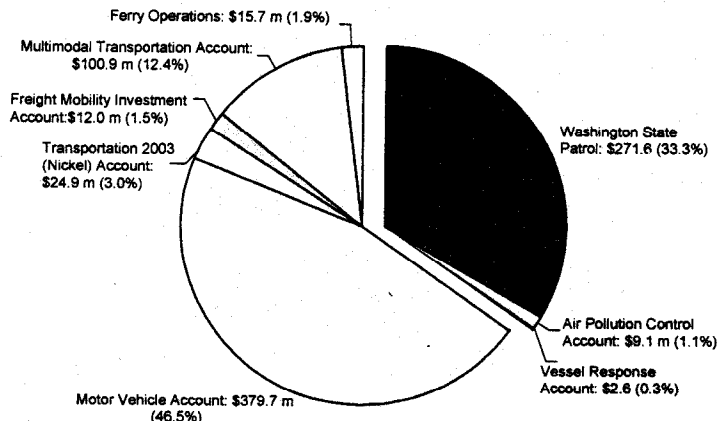
How are transportation revenues from vehicle licenses, permits and fees used by the State?

The 2005 transportation package imposes a new weight fee for passenger cars and increases the combined license fees for light trucks.

In addition the Freight Mobility Account is also established, funded from various licenses, permits and fees. This account will be used to fund various freight mobility projects including rail capital improvements.

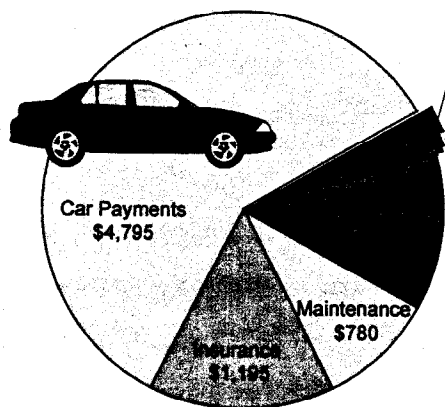
This pie chart represents the distribution all vehicle related licenses, permits and fees for the 2005-2007 biennium.

**Distribution of Vehicle Licenses, Permits, and Fees
2005-2007 \$816.6 m**



What does it typically cost for us to travel by car and where does the money go?

Average expenditures for traveling in a typical passenger car in Washington State by major category



Annual transportation tax and fee payments attributable to a car driven 12,000 miles per year in 2005.

State Gas Tax 31¢/gal	\$ 169.08
Federal Gas Tax 18.4¢/gal	100.36
State License Tab Fee/year	40.00
Total	\$ 309.08*

*\$20 of the \$30 tab fee goes to the State Patrol and approximately 37% of the gas tax goes to local governments.

Note: Local option taxes for local transportation projects may exist over and above those listed.

Distribution of the \$309.08 in taxes and fees for a typical car

State Gas Tax to Cities and Counties for Roads	\$ 62.56
State License Tab Fees to the Washington State Patrol	20.00
State Gas Tax and License Tab Fees to WSDOT*	126.16
Federal Gas Tax Returns to the State for Federal Highway Programs**	100.36
Total funds distributed	\$309.08

* The legislature appropriates some of these state funds to other agencies including, DOL, State Parks, etc.

**Federal Highway Programs include monies for Local Governments as well as for the State.

Assumptions for 2005

Annual miles: 12,000
Miles per gallon: 22
Gallons per year: 545.5

Purchase price of a 2005 Ford Taurus: \$24,000
(10% down payment)

Annual Costs:

Cost of fuel* (excluding taxes): \$1,009
State Gas Tax: \$169
Federal Gas Tax: \$100
License Tab & Weight Fee: \$40

The \$126 WSDOT retains of the state gas tax and license tab fees maintains the state highway system, pays bond debt service on current, past and future capital projects and more.

* Based on the average annual cost for fuel for Washington State in 2004 (\$1.85/gal + .28 + .03 = \$2.16/gal)
Provided by the Energy Information Administration. www.eia.doe.gov/emeu/states/oilprices/oilprices_wa.html

What funds are available for WSDOT to deliver its programs?

	For the 2005-2007 Biennium			Total Funds Available for WSDOT 2005-2007
	Funding that Pre-Exists the Passage of New Funding Packages in 2003 & 2005	2003 Transportation Funding Package 2005-2007	2005 Transportation Funding Package 2005-2007	
<i>millions of dollars</i>				
Operating Budget	\$1,052	\$44	\$10	\$1,106
Capital Budget	\$1,447	\$1,274	\$709	\$3,430
Total Funding	\$2,499	\$1,318	\$719	\$4,536

What do each of these packages mean in funding for WSDOT over time?

	Funding that Pre-Exists the Passage of New Funding Packages in 2003 & 2005	2003 Transportation Funding Package 10-Year Plan	2005 Transportation Funding Package 16-Year Plan
	FY 2006-2015	FY 2004-2013	FY 2006-2021
<i>millions of dollars</i>			
Operating Budget	\$5,492	\$253	\$447
Capital Budget	\$5,621	\$3,916	\$7,140
Total	\$11,113	\$4,169	\$7,587

Analysis of the 2005 legislative enactment has not yet been completed. The amounts shown are believed to be approximately correct but are still preliminary and subject to adjustment.

Pre-Existing funding is programmed in ten-year increments. Revenues are forecasted, bond sale plans are developed and project expenditures are projected over a ten-year period. As we end one biennium, another two-year period is added to the out-year plan. Our current ten-year plan goes from fiscal year 2006 through fiscal year 2015, in biennial terms, 2005-07 through 2013-15.

The 2003 Transportation Funding Package, which included the nickel gas tax increase and a sales tax increase on vehicle sales, was also for a ten-year period. Revenues are forecasted and projects were planned to take place within the ten-year period. Revenue collections and project expenditures started in July 2004. The final sale from \$2.6 billion bond authorization for this funding package will be sold by 2013.

The 2005 Transportation Funding Package is for a 16-year period. The revenues are forecasted and project expenditures are planned, and the bond sales will be spread over the 16-year period. The 16-year plan runs from fiscal year 2006-2021, in biennial terms, 2005-07 through 2019-21.

The 2005 Funding Package also provided apportionments for:

- ✓ Cities and Counties
- ✓ County Rural Arterial Board (Grant Programs)
- ✓ Transportation Improvement Board (Grant Programs)

What types of projects and programs does each of these funding sources deliver?

Pre-Existing Funding examples:

- Maintenance
- Asphalt and Chip Seal Repaving
- Bridge Scour Rehabilitation
- Longview-Rainier Bridge Painting
- Hood Canal Bridge Replacement
- Major Electrical Features Replacement
- Unstable Roadside Slope Repair
- SR 202/ SR 520 to Sahalee Way Widening
- Median Cross-over Protection on Divided Highways
- SR 20/ Monkey Hill Rd to Troxell Rd
- SR 20/ Troxell Rd to Deception Pass Vic
- I-90/ SR 26 Interchange-Ramp Improvements
- Fish Passage Barrier Removal
- Ferry Terminal and Vessel Improvements and Preservation
- Construction of Three Replacement Ferry Boats
- Expansion of the South Trestle in Seattle
- Rail Line Improvements for AMTRAK/Cascades Passenger Service
- Train Station Upgrades - Statewide
- Rural Mobility Grants

2003 Transportation Funding Package examples (chosen from approximately 160 projects)

- I-5/ Pierce Co Line to Tukwila – Northbound HOV
- I-5/ Concrete Pavement Replacement in Downtown Seattle
- Replacement of Non-standard Guardrail
- Replacement of Non-standard Bridge Rails
- I-5/Salmon Creek to I-205 - Widening
- SR 240/ I-182 to Richland Y – Add Lanes
- No. Spokane Corridor – Francis Ave to Farwell Rd
- SR 16/ Burley-Olalla Interchange
- SR 31/ Metaline Falls to Canadian Border – Roadway Reconstruction
- SR 106/ Skobob Creek – Fish Passage
- I-5/ Rush Rd to 13th Street – Flood Control & Widening
- I-5/ SR 502 Interchange and Corridor Widening
- Construction of One Replacement Ferry Boat
- Ferry Terminal Upgrades at Anacortes, Edmonds, & Mukilteo
- Point Defiance Rail By-Pass
- Rail Upgrades State-wide, including Port of Columbia
- Vancouver Rail Project (Passenger Service)
- Yakama Tribal Sawmill Rail Support
- Train Set Purchase
- Van-Pool Grants
- Para Transit/Special Needs Grants
- Rural Mobility Grants

2005 Transportation Funding Package examples (chosen from approximately 270 projects)

- Alaskan Way Viaduct (State funds)
- SR 520
- I-405
- Seismic Retrofit of Severe and Moderate Risk Bridges (approximately 175 projects)
- Bridge Replacement Projects
- SR 4/ Abernathy Creek – Bridge Replacement
- SR 6/ South Fork of Chehalis River – Bridge Replacement
- SR 532/ General Mark W. Clark Memorial Bridge Replacement
- SR 99/ North of Lincoln Way Sidewalks
- I-90/ Snoqualmie Pass East – Hyak to Keechelus Dam
- I-82/ Valley Mall Boulevard Interchange Construction
- SR 28/ Jct US 2/97 to 9th Street – Capacity
- I-5/ Downtown Bellingham On/Off Ramps Reconstruction
- SR 112/ Neah Bay to Seiku – Roadside Safety Improvements
- SR 500/ St Johns Boulevard – Interchange Construction
- I-5/ Boston to Shelby Southbound – Noise Walls
- Fish Passage Barrier Removal
- SR 530/ Sauk River – Chronic Environmental Fixes
- SR 9/ Corridor Improvements for Safety
- Freight Mobility Projects for Local Freightways
- Safe Routes to Schools Grants
- Para Transit/Special Needs Grants
- Construction of One Replacement Ferry Boat
- Terminal Improvements at Port Townsend and Fauntleroy and Bainbridge Island
- King Street Station Track Improvements to Prevent Freight/Passenger Conflicts
- Freight Rail Improvements Statewide
- Preservation of State-owned AMTRAK Train Equipment